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Kurds Claim Capture of Iraqi Oil Center

Loss Seen As Setback For Hussein

By William E. Schmidt
New York Times Service

CAIRO — Kurdish rebels in northern Iraq say they have captured the city of Kirkuk, a major oil production center and Iraq's fourth largest city, after heavy fighting with government troops, according to the Iranian news agency.

There was no way to confirm the report which, if true, would mark a major setback for President Saddam Hussein, who has been battling an insurrection in both the north and south of Iraq since the end of the Gulf war on Feb. 28.

[A State Department spokesman, Richard A. Boucher, said in Washington that heavy fighting in the north was continuing and that dissidents appeared to have made further gains, but he said that the United States could confirm the reports that Kirkuk was in rebel hands.]

The Kurds, who have long fought for their autonomy, also threatened to blow up dams in the mountains far north of Baghdad, and flood downstream cities, if government troops used chemical weapons on insurgents in Kurdistan. In 1988, an estimated 5,000 civilians died near the Iranian border when Iraq used poison gas to put down a rebellion among Kurds.

Officials in Baghdad did not respond to the Kurdish claim that they had taken Kirkuk. But in an interview published in Iraq, the speaker of the Iraqi parliament insisted the overall situation inside the country was "getting better speedily," despite reports of fighting and unconfirmed claims that tens of thousands of Iraqi soldiers had deserted to the rebel side.

Saadi Mehdi Saleh, a member of Mr. Hussein's ruling Ba'ath Party, also promised a nationwide referendum soon in which voters will help shape a new national constitution, one of several democratic changes promised last weekend by Mr. Hussein.

Mr. Hussein and his spokesman have depicted the insurrection in the south as the work of traitors, foreign saboteurs and infiltrators from neighboring Iran, which has formally sided with the opposition forces and called on the Iraqi leader to step down.

No one really knows with any certainty what is happening inside Iraq, amid rebel claims and government counterclaims. For example, nothing more has been heard of rebel boasts Sunday that they were within 20 kilometers (12 miles) of Baghdad, and marching on the city.

And three days after Mr. Hussein declared that he had crushed the opposition in the mostly Shiite Muslim districts of southern Iraq, reports of fighting continue in the area, with rebels saying they are still holding several towns.

But there was one indication Tuesday that Iraqi troops may be making good on one of the president's claims. According to Reuters, Iraqi Army deserters interrogated by U.S. troops at a Kuwait border crossing reported that Republican Guard troops and tanks were now in control of Basra, the nation's second largest city, and were conducting house-to-house searches for rebels.

In Tehran, Iranian radio reports quoted refugees fleeing Basra as saying that the city was without food or water and that streets were filled with corpses.

Thirty thousand refugees have fled into Iran in recent weeks to escape the rebellion in southern Iraq, the director-general of the World Health Organization, Hiroshi Nakajima, said Tuesday in Geneva. During a tour of Iranian borders, he said he saw children whose bodies bore burns that allegedly were the result of napalm weapons used by Iraqi troops.

Syrian Radio said that fighting had spilled into the Tikrit, the hometown of Mr. Hussein, and that several unnamed sides and relatives of the Iraqi president have been either killed or detained by rebels.

The report, monitored by the BBC, said that the son of the for-

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Ramzi Boyce/Reuters

A group of refugees with their suitcases arriving at U.S. Checkpoint Charlie in Iraq. Scores of people pass through the point daily.

Making a Rift Public, Pöhl Calls Germany's Money Union a 'Disaster'

By Richard E. Smith
International Herald Tribune

FRANKFURT — Karl Otto Pöhl told a committee of the European Parliament on Tuesday that Germany's monetary union had produced a "disaster." The statement caused the Deutsche mark to tumble and the government in Bonn to say tersely that the Bundesbank president had underestimated political "pressures."

Mr. Pöhl was using the German experience as a warning against premature steps toward full monetary union in the European Community before the economies of its member countries have converged to a greater degree.

Although he has often bewailed the difficulties caused by German monetary union and had spoken strongly against the move before Chancellor Helmut Kohl pushed it through, Mr. Pöhl had not previously been so pessimistic in public statements.

The Bundesbank chief's comments may again open barely healed wounds in the ever-tense relationship between the government in Bonn and the highly independent Bundesbank in Frankfurt.

Throughout the reunification drama, the central bank has been conspicuously more cautious than the governing coalition, which a year ago plunged ahead to offer the Deutsche mark to East Germany as a major incentive and cornerstone for reunification.

Now, the Bundesbank is trying to keep the Bonn government from any compromise on EC monetary union that would limit the Bundesbank's power and independence.

Mr. Pöhl told the committee members in Brussels that the West German mark had been introduced as the currency for united Germany with little preparation and at the wrong rate.

"So the result is disaster, as you can see," he said.

Coming a day after tens of thousands of demonstrators in half a dozen cities in eastern Germany had condemned the government's economic policies — some had even called for Mr. Kohl's resignation — the statement again highlighted the economic problems of an area where unemployment is soaring and where few are yet willing to invest.

Mr. Pöhl, who had long warned that the rapid introduction of the Deutsche mark into eastern Germany would make the area's economy uncompetitive, said: "I am not surprised. I predicted this. I am not criticizing the decisions. But the outcome was predictable."

The Deutsche mark dipped rapidly after the statement, and central banks had to intervene to bold back the dollar, which was further bolstered by U.S. figures pointing to higher inflation and possibly to higher interest rates. The dollar surged more than two pfennig to 1.6557 DM in London. In New York, the currency closed at 1.6422 DM, up from 1.6285 on Monday.

The German government spokesman, Dieter Vogel, said in Bonn that Mr. Pöhl had "apparently not seen that there were political pressures that had not made it possible to take into consideration all of his ideas on economic and currency union or on a later economic convergence."

A spokesman for the Bundesbank said that Mr. Pöhl said Tuesday after his remarks were publicized that they had been taken out of context. He said that Mr. Pöhl believed that German monetary union had been unavoidable, even though this meant a rapid adjustment under unfavorable circumstances.

Mr. Pöhl, with a decade of service, is the longest-serving head of a major central bank. The government two years ago renewed his term even though he is a longtime member of the opposition Social Democrats and was originally brought into high office by the leadership of that party. His current term is not due to expire until 1996.

He annoyed some politicians in Bonn recently with his reminders to cut public-sector spending so that the growing bill for reunification did not require too much borrowing.

Mr. Pöhl, who was speaking in Brussels on Tuesday as chairman of the committee of EC central bank governors, was using the German situation to show how premature monetary union in the European Community could lead to similar problems.

The Bundesbank acceded to the Bonn government's decision and extended the mark to East Germany's 16 million citizens last July in an unprecedented expansion of a major currency's territory.

But Mr. Pöhl's warnings about the price of hasty monetary reunion were soon borne out.

East German companies were forced suddenly to compete on world markets and to denominate their largely shoddy production in one of the world's strongest currencies.

The resulting collapse in trade has forced thousands of companies to shut or scale back.

With a War Won, Ennui Becomes Main Foe for U.S. Troops

By Rick Atkinson
Washington Post Service

HAFIR AL BATIN, Saudi Arabia — With a huge American army of occupation still entrenched in Kuwait and Iraq, boredom and homesickness have become adversaries almost as formidable as the Iraqi Army once seemed.

Known as Phase Echo, the redeployment of 545,000 U.S. troops participating in Operation Desert Storm officially began March 10.

Military authorities say they hope to escalate the flow of returning soldiers until at least 4,000 a day are going home by early May, but the precise timetable remains a closely guarded secret — and many troops have resigned themselves to being in the Middle East for months.

"There's something the whole world needs to understand," Lieutenant General John Yeosock, commander of army forces in the operation, said in Riyadh recently.

"I've been pulling things over here at max rate for six months, so don't think you can take it back in three days. Forty or 50 ports throughout the world loaded the matériel to get it here, but I will in essence be backloading it through two ports."

The abrupt end of the Gulf war nearly three weeks ago left the U.S. military with 1.5 million tons of beans, bullets and other equipment to haul home, including 103,000 wheeled vehicles, 12,000 tanks and other track vehicles, 26,000 sundry containers and enough telephone wire to wrap around the Earth seven times.

The unexpectedly brief ground war left logisticians with immense stocks of ammunition.

A few units that have been here since August, such as the 82d Airborne Division, have pulled out quickly.

But many of the departures to date have been token representatives from outfits that fought the war.

The director of logistics for the Central Command, Brigadier General Dane Starling, said, "The momentum of it will really not pick up until we get a cease-fire."

If that effort drags on past mid-April, he said, the withdrawal will not be completed before fall.

At least four divisions remain in Kuwait and Iraq.

The 2d Armored Cavalry Regiment moved back into Iraq from Kuwait several days ago for what officials describe as "a presence" while other airborne units are pulled south into Saudi Arabia.

Soldiers and officers interviewed in a half dozen army divisions over the last 10 days often express confusion and exasperation at the diplomatic maneuvering that has held up a formal cease-fire agreement with Baghdad.

Although morale remains high — bolstered by the afterglow of decisive victory — many troops are baffled by the delay, uncertain of their mission and weary of primitive field conditions.

Many soldiers have not had a shower since ground combat began Feb. 24, for example.

"The thing that really scares you is boredom," said Major General Ronald H. Griffith, commander of the 1st Armored Division, still encamped in northwest Kuwait.

"When boredom takes over, that's when soldiers

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Soviet Vote Shows a Country in Disarray

By Serge Schmemann
New York Times Service

MOSCOW — In the end, the first national referendum in the Soviet Union did less to point the nation in any direction than to illustrate its disorientation in the seventh year under President Mikhail S. Gorbachev.

Mr. Gorbachev had ordered the vote to secure at least the semblance of a mandate for his efforts to regather the reins of his battered empire. But if anything, the vote served to confirm the image of the president as a hostage of his own *perestroika*, launching change and accumulating mandates only to find them foiling his intentions and escaping his control.

As always, there was a bit of pertinent Russian folk wisdom, this one recalled by the weekly Kommersant:

"I caught a bear."
"Bring him here."
"He won't go."
"Then come here yourself."
"He won't let me go."

That seemed to sum up Mr. Gor-

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bachev's political plight as he and his allies claimed victory in the referendum for the "renewed union" they had put to the ballot. They gained a majority, to be sure, but then all of Mr. Gorbachev's opponents who placed their questions on the ballot also won — first among them Boris N. Yeltsin, who won a strong mandate to seek direct election to the presidency of the Russian Republic.

The vote was in effect an endorsement of Mr. Yeltsin's anti-center politics, and indicated that while a majority still preferred a unitary state, they believed even more in Mr. Yeltsin and his resistance to the Gorbachevian center.

Thus, in reaching for a belated popular endorsement, Mr. Gorbachev also ceded another lever to his adversaries. The upshot was likely to be a noisy squabble over who really won, along with more confusion and division.

Yet, coming as it did at the start of Mr. Gorbachev's seventh year in power, the referendum in its indecisiveness served at least to demonstrate the state of affairs in a time some commentators have dubbed as the transition to "post-perestroika."

For one thing, it showed that despite Mr. Gorbachev's move to a more authoritarian approach, despite his renewed alliance with old establishments and old orthodoxies, neither he nor the conservatives around him could fully escape, manipulate or roll back the processes he had set loose.

For all its weaknesses, including the leading way the question was phrased, the proliferation of secondary questions and the heavy-handed campaigning, the fact that Mr. Gorbachev felt compelled to go to a vote was a measure of what he had achieved.

Even among his critics on the

See KREMLIN, Page 2

Arms Optimism Fades as Kremlin Balks

By William Drozdiak
Washington Post Service

PARIS — Four months after signing a treaty that banished the Cold War, allied governments are having second thoughts about the nature of a new East-West security order because of Moscow's continuing refusal to abide by the terms of an agreement restricting conventional forces in Europe.

The euphoria that surrounded the signing of the treaty here last November has dissipated as Western governments start to measure the impact on their own policies caused by the recent rise in influence of military hard-liners on President Mikhail S. Gorbachev.

When optimism prevailed last autumn, it was believed that a rapid retreat of American and Soviet forces from Central Europe would pave the way for the creation of a new pan-European defense structure enshrined in the 35-nation Conference on Security and Cooperation in Europe.

Now, talk about early progress toward an independent European security organization is diminishing as sentiment is swinging toward maintaining a strong military role for the the North Atlantic Treaty Organization, according to officials in several allied capitals.

East European governments that once belonged to the defunct Soviet-led Warsaw Pact are also telling the West that their difficult transition to market-based democracies, coupled with the risk of civil disorder among their Balkan and Soviet neighbors, requires NATO to play the leading role in preserving military security in Europe.

Vaclav Havel, who will become the first head of a former Warsaw Pact state to visit NATO headquarters on Thursday, is expected to seek a closer association for his country with the Western military alliance that will hold the door open for future membership.

The revived interest in sustaining NATO's military predominance in Europe has accelerated after the Soviet military crackdown in the Baltic states last month and the surprisingly intransigent attitude taken toward the Paris treaty.

To the dismay of the 21 other nations that have signed the treaty, the Soviets insist that they should be allowed to designate three divisions, comprising about 1,000 tanks, as naval infantry units as part of an reorganization effort to improve coastal defenses. Since naval forces are not covered by the treaty, the tanks would not have to be destroyed.

NATO countries have also expressed qualms about Soviet figures for the number of the forces in Europe and the huge transfer of tanks east of the Ural mountains beyond the treaty zone.

The Soviets have also hardened their positions on the last remaining issues holding up agreement with the United States on a treaty limiting strategic nuclear weapons. Richard R. Burt, the departing U.S. delegate at the Geneva arms talks, said that in the last negotiating rounds the Soviets have been more determined than ever not to yield any ground.

When the treaty dispute first arose, allied officials believed that it was a misunderstanding that could be resolved quickly. But they have been taken aback by the unyielding Soviet attitude. A succession of Western leaders, including Prime Minister John Major of Britain, Secretary of State James A.

See EUROPE, Page 2

Kiosk

Cheney Wary of Mideast Arms Ban

WASHINGTON (AP) — Defense Secretary Dick Cheney told Congress on Tuesday that protecting U.S. allies in the Middle East took precedence over demands for an embargo on arms sales to the region.

"I think certainly caution is in order here, but I think our first concern ought to be work with our friends and allies," Mr. Cheney told the House Foreign Affairs Committee.

General News

In Czechoslovakia, an omen of balkanization? Page 2.

Golan Heights issue sets off Israeli political brawl. Page 3.

Fashion

Oscar de la Renta divided opinion in his Paris debut. Suzy Menkes reports. Page 6.

Dow Close
2,867.82
Down
62.13

The Dollar In New York

DM	1.6442
Pound	1.7805
Yen	137.90
FF	5.6015

Crossword Page 6.
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Neal Layne/Reuters

POST-BOUT FIGHT — Delroy Ruddock being restrained in the ring after his brother Donovan's loss to Mike Tyson in Las Vegas. Supporters of both fighters rushed through the ropes after the referee stopped the fight. Page 17.

Inflation Rise Jolts U.S. Stocks

Compiled by Our Staff From Dispatches

NEW YORK — A sharper-than-expected rise in the closely watched core measure of U.S. inflation dimmed prospects for lower interest rates on Tuesday, jolting stocks and bonds and sending the dollar soaring.

The government reported that the overall Consumer Price Index rose 0.2 percent in February, after a 0.4 percent gain in January. But when volatile factors like energy and food costs were excluded, the core rate of inflation totaled 0.7 percent, compared with 0.8 percent in January.

Wall Street analysts had predicted that the price index, the government's main gauge of inflation, would rise 0.1 percent, while the core rate would increase 0.3 percent.

The bigger-than-expected jump in the core rate could chill further actions by the Federal Reserve to push down interest rates, analysts said. Lower rates promote businesses and consumers to borrow, thereby bolstering economic activity, and also tend to give a lift to stock and bond prices.

Taking their cue from the disappointing inflation numbers, stocks plummeted 62.13 points, closing at 2,867.82. A depressing earnings outlook from the bellwether International Business Machines Corp. also contributed to the sell-off. IBM had been a key leader in the market's recent rally to near 3,000.

U.S. Treasury bond prices also plunged by nearly a point. Bond yields, which track inflation, surged. The key 30-year U.S. Trea-

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Police Transcripts Open a Grimmer Chapter in Beating of L.A. Motorist

By Seth Mydans
New York Times Service

LOS ANGELES — White police officers who had just repeatedly beaten a black motorist who had been stopped for speeding were relaxed and even jocular in their communications with each other and with a desk officer, according to transcripts released by the police.

"Oops," one of the officers joked in a computer message. "I haven't beaten anyone this bad in a long time."

In the transcripts of mobile computer communications among the squad cars moments after the beating of Rodney G. King on March 3, a supervising officer at the scene, identified by a police spokesman as Sergeant Stacey C. Koon, typed out, "You just had a big-time use of force."

The reply from the police communications desk was: "Oh well. I'm sure the lizard didn't deserve it. Ha, ha. I'll let them know. O.K."

Then Sergeant Koon sent a message asking for a fresh supply of darts for the Taser stun gun that was fired at Mr. King at the time of the beating.

In another message from the patrol car, one of the two officers charged with the beating said an earlier domestic-dispute call the officers had answered was "right out of 'Gorillas in the Mist,'" a movie about ape research.

The comments from the sergeant and other officers seem to show them treating the beating as an ordinary incident, lending support to critics who say Los Angeles police officers routinely resort to force with little provocation.

At 1:12 A.M., about 15 minutes after the beating ended, the transcripts show that a patrol officer typed out, "Oops!" and then, "I haven't beaten anyone this bad in a long time."

The Police Department spokesman, Fred Nixon, said the two officers in the car sending this transmission were Laurence M. Powell and Timothy E. Wind.

In another squad car, an officer who was apparently not at the scene typed back: "Oh not again. Why for you do that? Thought you agreed to chill out for a while. What did he do?"

A reply from the first car, according to the transcript, said: "I think he was dusted. Many broken bones later. After the pursuit."

The use of the word "dusted" appears to refer to the officer's suspicion that Mr. King had been taking the drug phencyclidin, commonly known as PCP or angel dust. Tests later found no trace of drugs in his system.

Sergeant Koon, Mr. Powell and Mr. Wind, along with another officer, Theodore J. Briseno, were indicted last week on charges of assault with a deadly weapon and are scheduled to enter their pleas Friday.

The officers were using miniature computers fitted into their squad cars to communicate among themselves and a supervisor at the station. A police spokesman said the computers were used to supplement the heavily used voice communications system.

The police released the transcripts Monday at the request of Mayor Tom Bradley, through his appointed Police Commission, which oversees the department.

Mr. Bradley and the police commissioner, Melanie Lomax, called the officers' remarks racist, while local civil rights advocates renewed their calls for Police Chief Daryl F. Gates to resign. Mr. Gates vowed that he would not quit.

"The people of this city have been slapped in the face by the attitude and bigotry of these officers," Mr. Bradley said Monday.

"The public must know how deep these prejudicial sentiments run in the LAPD," the mayor continued, referring to the Los Angeles Police Department. "It is no longer possible for any objective person to regard the King beating as an 'aberration.'"

Mr. Bradley, the city's first black mayor, is a former police lieutenant. His statement did not indicate whether he thought Mr. Gates should resign. The mayor has long advocated a change in the city charter that would give him the power to hire and fire the city police chief.

As a civil service appointee, the chief can be removed only for cause after a lengthy proceeding conducted by the five-member Police Commission.

Earlier Monday, Mr. Gates expressed his thoughts about the victim, Mr. King, saying he hoped he would make use of the experience to embark on a better life.

Surrounded by yellow ribbons hung as a sym-

See VICTIM, Page 2

The Czechoslovak Family Feud: A Portent of Balkanization?

By Mary Battiata
Washington Post Service

BRATISLAVA, Czechoslovakia — The spectacle of President Vaclav Havel's being jostled, booed and spat on during a large Slovak separatist rally here last week seems to remove any doubt that Czechoslovakia's long-simmering nationalist crisis is nearing the boiling point.

The so-called family feud between Czechs and Slovaks threatens not only Czechoslovakia's economic recovery after four decades

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of Communist domination but its 73-year history as a state. It raises as well even more troubling fears of a balkanization of Central Europe.

Until recently, Slovakia's dominant political groups, allied under the umbrella of the democratic citizens movement Public Against Violence, checked extreme nationalist parties and ensured the Slovak republic's grudging cooperation with the Czechoslovak federal government in Prague. Now the alliance has come rancorously apart with the defection this month of Vladimir Meciar, the Slovak prime minister, to the nationalist camp.

Leaders of Public Against Violence and the federal prime minister, Marian Calfa, himself a Slovak, accused Mr. Meciar and Slovak nationalists last week of joining forces with Communist politicians to undermine the republic's democratic government and to create an independent Slovakia oriented toward the Soviet Union.

Mr. Havel has long warned that a dissolution of the federation would mean "chaos and disaster" for both the Czech and the Slovak republics, but he conceded for the first time last week that a breakup was possible — "an alternative we must seriously think about."

The Havel government is pressing the federal legislature to authorize a countrywide referendum on whether Czechoslovakia should remain unified. Recent opinion surveys indicate that a majority of Czech and Slovak voters opposed dissolving the federation. A referendum would probably show support for some version of the present arrangement — which gives each republic its own legislature as well as a shared role in a federal legislature with control of foreign affairs, defense and monetary policy.

Cooler heads on both sides see the recent surge in nationalist fervor as a political tactic designed to win Slovakia maximum concessions at a time when a federal constitution is being hammered out in Prague. But support for some kind of separate status seems to be increasing, fed by well-founded fears that the Slovak republic, which has most of the country's unprofitable Communist-built heavy industry, would suffer most in the transition to a free-market economy.

Still, the prestigious Slovak journal Cultural Life warned nationalist leaders against any thoughts of a "mystical national unity incarnated in a paternalistic nation-state," a veiled reference to Slovakia's brief existence as an independent state when it sided with Hitler during World War II.

Separatist rallies in Bratislava last week, which had been timed to coincide with the anniversary of the founding of that autonomous Slovak state in 1939, attracted tens of thousands of Slovaks of all ages. They chanted, "Enough of Prague" and held placards equating the federation with Slovakia's previous 10 centuries of Hungarian domination.

"We Slovaks have bad luck," the signs read. "First the Hungarians, and now the Czechs."

Some onlookers became emotional as speakers from the nationalist cultural organization Matica Slovenska and many smaller separatist parties recounted slights to Slovakia that they said had been made by everyone from Mr. Havel to the Council of Europe. Some speakers recommended that the current democratically elected Slovak legislature be tossed out of office if it refused to endorse Slovak independence.

From an official standpoint, Slovak separatists still represent a small minority. In parliamentary elections in June, the largest of the separatist groups, the Slovak National Party, won less than 14 percent of the vote. Victory went to Public Against Violence, the Slovak affiliate of Mr. Havel's Civic Forum, which in 1989 forced an end to Communist rule.

The Slovak National Party's share in local elections in November dropped to 3.2 percent, a casualty of its failure to dominate Slovakia's large Hungarian minority by having Slovak declared the republic's sole official language. But since January, separatist parties have sprouted like mushrooms, rallying around radical manifestos and impassioned rhetoric against perceived perfidy in Prague.

Solving the nationalist problem has preoccupied the Havel government almost since the day it formed. Last summer, the federal legislature spent weeks deciding on a new name for the country that would satisfy the Slovak wish to be recognized as more than the trailing half of Czechoslovakia. The result was "The Czech and Slovak Federal Republic."

It took three more months in the autumn for the federal legislature to negotiate a power-sharing agreement that turned over more responsibilities to the Slovak legislature. No sooner had that accord been signed in December than Slovak politicians, including Mr. Meciar, began calling it inadequate.

Disputes over such issues as whether Slovakia should be permitted to set up its own postal service, gas pipeline and police force roil on. Mr. Meciar's party and a host of smaller nationalist parties also are demanding a special sovereignty agreement that would allow Slovakia to secede at will from the federation.

Summing up the dispute recently, the Prague newspaper Mlada Fronta commented: "To keep a marriage alive in which one partner doesn't want to live can only be done for a short while and at great sacrifice to the second partner."

The Associated Press

REVIEWING THE TROOPS IN BRUSSELS — President Vaclav Havel of Czechoslovakia, right, at the Palais d'Egmont with Prime Minister Wilfried Martens and a Belgian officer on Tuesday. During his three-day visit, Mr. Havel will become the first East European head of state to address NATO. He will also meet with officials of the European Community and the Belgian government.

Yugoslav Army Reserves Right to Act

By Blaine Harden
Washington Post Service

ZAGREB, Yugoslavia — The Yugoslav Army, after four ominous days of "considering emergency measures," pledged Tuesday that it would stay out of politics but asserted a right to intervene in ethnic or political disputes anywhere in the country.

The army, for the first time, appears to be reserving for itself the authority to define the circumstances under which it can act. Under Yugoslav law, it is commanded by the federal presidency, an eight-member body with representatives from each of the country's six republics and two provinces.

Part of the army's ambiguous statement is a categorical promise not to "interfere into political agreements about the future of the country."

But it also contains a clear warning that the military will not allow armed conflict between ethnic groups or political parties. This leaves the door open for unilateral intervention in political demonstrations if they are judged by the army to be violent.

The federal army is dominated by a Serbian officer corps, many of whom support President Slobodan Milosevic of Serbia, the Communist strongman in Yugoslavia's largest republic.

Mr. Milosevic's regime, by far the most repressive in this democratizing country, has come under great pressure in the last 10 days from a growing anti-Communist movement inside Serbia.

In response, he and senior Serbian generals in the army last week pressed the Yugoslav federal presidency for authority to impose martial-law measures across the country. That authority was refused three times.

After the final refusal, Mr. Milosevic — in an apparent effort to destroy what he could not dominate — ordered the resignation of four members of the presidency who are under the control of his regime. The one member who refused to resign was dismissed.

The army statement Tuesday does little to ease, or simplify, the ethnic and political infighting that began to paralyze this nation last year when its eight constituent parts began shedding communism.

The main argument concerns the fate of Yugoslavia itself. The northern republics of Slovenia and Croatia, with the recent support of Macedonia and Bosnia, are demanding that the country be transformed into a loose alliance of sovereign states. They say they want a kind of mini-European Community.

Until Saturday, when Mr. Milosevic tried to gut the authority of the federal government, Serbia had insisted that a strong federation be maintained. Now it seems Mr. Milosevic's overriding goal is to hang on to authority in Serbia, which has about one-third of Yugoslavia's 24 million people.

With or without the threat of army intervention, Yugoslavia's vast array of politicians — many of whom are called presidents — appeared eager this week to continue with the threats, name-calling and jurisdictional gridlock that pass for normal life in Eastern Europe's most confusing country.

A telling measure this week of the cultural and political chasms that separate the republics was the travel plans of two republic presidents.

The president of Bosnia, Alija Izetbegovic, flew off to Libya to collect $50 million in credits for his one-third Muslim republic from Colonel Moammar Gadhafi.

And the president of Slovenia, Milan Kucan, flew off to Germany to try to win loans for his Austria-like republic from Chancellor Helmut Kohl.

Here in the Croatian capital Tuesday, the republic's recently elected rightist-nationalist strongman, Franjo Tudjman, convened a press conference to decide Serbia's recently elected leftist nationalist strongman as a "greater Serbian hegemonist and dogmatic communist."

In the Serbian capital of Belgrade, Mr. Milosevic, who often refers to Mr. Tudjman as a "genocidal fascist," told a group of students Tuesday that as long as Croatia continued its "illegal" arming of expanding police reserves, he would have no choice but to continue the "legal" arming of Serbia's expanding police reserves.

For all the bickering and threats of the last year, there has been remarkably little bloodshed. By far the bloodiest event occurred March 9, when Serbian riot police attacked anti-Communist Serbian student demonstrators in Belgrade. Two died and more than 100 were injured.

In an interview Tuesday, Croatia's representative to the federal presidency, Stipe Mesic, explained that much of the bluster of Serbia's government in the last week was "all actually a game."

"It was all staged," Mr. Mesic said.

Kremlin Claims Election Victory for Gorbachev

By Francis X. Clines
New York Times Service

MOSCOW — The Kremlin insisted Tuesday that an impressive majority of Soviet voters had "decided the future of this country" by supporting President Mikhail S. Gorbachev in his referendum on national unity.

Government officials moved quickly to interpret the results of the vote on Sunday as a mandate for the Soviet leader to have his way in settling the nation's two major issues: resurrecting the sagging economy and struggling with the republics over autonomy.

The government went ahead Tuesday with plans to introduce sweeping retail price increases next month, saying it was part of the long-promised transition to a free market, although such other disputed elements as the privatization of property remain far from settled.

But clearly the battered Gorbachev government was taking heart from the referendum result.

"It lays the foundation for future democratic reform," said Gregori Revenko, Mr. Gorbachev's chief advisor on the voting.

Mr. Gorbachev was accorded majority support for a referendum designed to bolster his hand in withstanding various demands for sovereignty and independence from the nation's 15 republics.

From incomplete figures, Kremlin officials were claiming the support of more than 75 percent of the nation. Mr. Revenko estimated that 105 million voters of a total of 136 million participants, or 77 percent, endorsed Mr. Gorbachev's call for continuing the national union in some "renewed" form.

This actually represented 59 percent of the 178 million people eligible in the nine republics that took part. Six republics, with about 10 million voters, did not participate after their separatist-minded parliaments declared a boycott.

Subsidiary questions on some republic ballots also invited contrary results in the form of endorsements of calls for the Kremlin to yield stronger local autonomy.

Even so, the vote provided Mr. Gorbachev badly needed ground for insisting that the public has extended him a vote of confidence in fighting the dismembering of the union.

But he also faced deepened challenges in the effects of the subsidiary voting, most prominently the heightened political opportunity that voters in the Russian Republic afforded Boris N. Yeltsin, Mr. Gorbachev's arch rival. Mr. Yeltsin has been demanding the resignation of the Soviet leader for "deceiving" the nation with fruitless promises of change.

Complete returns were not yet available from Russia, which has more than half the nation's population, but voters there clearly had approved not only the Gorbachev referendum but also the introduction of direct popular election of a Russian president, a second issue raised by Mr. Yeltsin.

This is an office Mr. Yeltsin now holds through parliamentary selection and one he intends to seek again if the Russian legislature creates such a direct election. A successful election would afford Mr. Yeltsin more direct popular electoral power than Mr. Gorbachev, who was chosen for the union presidency by the national parliament.

The Russian presidency question was a practical issue for the voters, while the Gorbachev referendum posed more of a moral issue — whether the national union, chaotic and doubt-ridden as it is and finally rattling the chains of its own colonial history, is worth preserving.

Mr. Gorbachev's question was: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics as a renewed federation of equal sovereign republics, in which the rights and freedoms of people of any nationality will be fully guaranteed?"

The wording touched optimistically on some of the most explosive issues in the discordant, seething nation: whether the Kremlin will yield significant sovereignty to the republics and aggrieved minorities and better protect individual rights, and whether it will finally shock off the central Marxist economy that has long hobbled dreams of prosperity.

The Kremlin, in what could be part of Mr. Gorbachev's manner of surviving by swinging from center to right and leftward again, already was insisting anew on Tuesday that the Soviet leader remained committed to achieving a market economy and would soon be making another attempt at creating an overall economic strategy.

The current cycle of national pessimism dates to last summer, when Mr. Gorbachev first endorsed a radical move toward a Western-style free market, but then suddenly retreated from its many risks back to centralized planning. An array of free-market economists were replaced as his chief aides, with tighter central police measures later enacted in the name of fighting economic crimes.

VICTIM: *Police Messages*

(Continued from page 1)

bol of support for him at police headquarters, Mr. Gates told a cheering crowd that he would not heed widespread calls for his resignation.

In response to a question, he said Mr. King and his family deserved an apology for the beating.

Then he added: "We regret what took place. I hope he gets his life straightened out. Perhaps this will be the vehicle to move him down the road to a good life instead of the life he's been involved in for such a long time."

Mr. King, 25, was unemployed and on parole at the time of the beating. He had just completed six months in prison on a sentence for an armed robbery conviction. He had previously been convicted of trying to pay for prostitution.

Mr. King was not charged in the March 3 incident, in which the police said he was stopped for speeding.

He is in a hospital recovering from surgery to repair a shattered eye socket. His doctors say he suffered multiple skull fractures, a broken leg, injuries to both knees, a concussion, nerve damage and possible brain damage.

In recent days, calls for the chief's resignation have come from community leaders in Los Angeles and from the Reverend Jesse L. Jackson and Senator Joseph R. Biden Jr., Democrat of Delaware.

"I will be here," Mr. Gates said at his office Monday morning. "I will stay here and I will fight any attempt to get rid of me. I will fight it with all the effort I have."

Mr. Gates, 64, has headed the Los Angeles Police Department for 13 years.

KREMLIN: *Vote Shows Disarray*

(Continued from page 1)

left, still smarting at his change of heart, there were those who paused to take stock of his achievements.

Vitali Tretiakov, writing in Nezavisimaya Gazeta under the headline "Apologia for Gorbachev, or an Epitaph for Perestroika," listed 46 positive results of perestroika, from dealing a "fatal blow to totalitarianism" to the creation of "redundant systems guaranteeing against a return to the past."

But in the act of weighing Mr. Gorbachev's pros and minuses, Mr. Tretiakov and commentators like him were already effectively looking past the changes of Mr. Gorbachev's first six years to what he or his successor would face in the new era of post-perestroika.

For one thing, Mr. Tretiakov wrote, "history will not forgive the leader of post-perestroika any bloodshed or errors as easily as it forgave Gorbachev the pathfinder of 1985-1990."

The question was how much of this was Mr. Gorbachev himself, and how much was it the bear with which he had cast his lot — the coalition of technocrats, Communists, military men and other conservatives.

Domestic commentators and foreign diplomats alike raked over the events of the past months to determine the balance of the new order, to find out how Mr. Gorbachev was doing with the bear he now purported to lead.

Among Westerners, the question was whether the resignation of Foreign Minister Eduard A. Shevardnadze and a series of other developments — the brutal crackdown in the Baltics, a reversal or freeze in arms controls, the failure to ratify two of the Soviet-German treaties, the belated effort to prevent a ground offensive in Iraq — had marked a worrying retreat from the "new thinking" that had marked Kremlin policy through last fall.

A parade of foreign secretaries — Secretary of State James A. Baker 3d and the foreign ministers of Britain, France and Germany — swept through Moscow intent on assessing the new winds.

Among domestic pundits, speculation grew that Mr. Gorbachev was circumscribed in his freedom of action by the conservatives with whom he had cast his lot. The president's insistence that he was not privy to the use of military force in Vilnius in January, if true, only deepened the question of who was wielding what powers.

U.S. Foresees Soviet Turmoil

Reuters

WASHINGTON — Senior Bush administration officials said Tuesday that the Soviet referendum had settled none of the pressing questions facing the country and predicted a further slide toward social and economic chaos.

"Whatever the results of the artfully worded question about a looser confederation, the same questions will confront the Soviet Union," said Defense Secretary Dick Cheney.

EUROPE: *Less Euphoria Now*

(Continued from page 1)

Baker 3d and Foreign Minister Hans-Dietrich Genscher of Germany, have visited Moscow in recent days and failed to budge the Soviet leadership from their position.

What concerns allied officials is that the hard-line approach may reflect more than just end-game bargaining. They fear that the KGB security service, the armed forces leadership and the Communist Party stalwarts now wielding greater clout with Mr. Gorbachev are persuaded that the arms control agreements negotiated with the West are too unfavorable to Moscow and will force the Soviet Union to relinquish its last claim to superpower status.

"The military men in Moscow are saying that 'enough is enough'," said Simon Lunn, deputy secretary-general of the North Atlantic Assembly, NATO's parliamentary arm. They seem to believe that the former foreign minister, Eduard A. Shevardnadze, "went too far," Mr. Lunn said.

If the Soviets are truly seeking to scuttle the treaty, a senior German official said, "the impact could be very serious." In order to ease Soviet anxieties about German unification, the Bonn government agreed to accept a ceiling of no more than 375,000 soldiers in its armed forces.

But that promise was given in the expectation that the treaty, once ratified by all 22 parliaments, would lead to a second stage of negotiations that would impose manpower limits on the armed forces of other European countries. Those talks are now in limbo pending a resolution of the dispute.

NATO members, along with the East European countries that signed the treaty, are in complete agreement that the Soviets are misinterpreting the treaty, which clearly stipulates that "all battle tanks" in the proscribed Central European theater must be destroyed.

But some differences are starting to arise over whether a compromise can be struck with the Soviets in order to preserve the treaty structure, which guarantees the new era of East-West cooperation by abolishing the risk of military attack.

The United States insists that the Soviets must respect the letter of the treaty.

Ferry Sinks Off Indonesia

Reuters

JAKARTA — At least 17 people were missing after an overloaded ferry sank in a storm off Indonesia's eastern island of Timor, the afternoon daily Suara Pembaruan reported Tuesday. The boat was carrying 83 passengers and a crew of 5 when it ran into bad weather, the paper said.

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MEMORIAL NOTICE

On the first anniversary of the death of

M. MICHEL IBRAHIM WARDE

a memorial service will be held at the church of St. Julien le Pauvre, 1, rue St Julien, 75005 Paris, on Wednesday, March 20, 1991 at 11:30 a.m. His wife, Lidia, his children, Robert, Nayla, Rita, Danièle & Paola, and all of his family invite those who loved him to join them on this occasion. Warde Family, 17, rue de Monceau, 75008 Paris.

WORLD BRIEFS

New AIDS Weapon Shows Promise

NEW YORK (Reuters) — Tests of a new technique for treating AIDS patients using electrical energy to weaken the virus show encouraging results, doctors at a New York City medical center said Tuesday.

The researchers, William Lyman and Steven Kaali of the Albert Einstein School of Medicine, said initial laboratory tests had shown that electrical current could weaken the virus that causes AIDS. They said they planned to move into the next stage of testing in April using blood samples from AIDS patients. Dr. Lyman said the use of electrical energy had no toxic side effects.

If their tests are successful, they hope to develop a new way to treat AIDS patients, possibly involving equipment similar to a kidney dialysis machine, in which the patient's blood would be treated with electrical current outside the body. Dr. Lyman said the next phase of the research should be finished in a year.

Bonn Drops Amnesty Plan for Stasi

BONN (Reuters) — Germany's governing coalition on Tuesday dropped a plan to grant amnesty to former East German spies in the unified state.

Coalition sources said party leaders decided not to go ahead with the amnesty because they believed it would be unacceptable to the public. The plan, supported mainly by the liberal Free Democrats, junior partners in Chancellor Helmut Kohl's coalition, called for a partial amnesty for agents doing intelligence work in West Germany.

The amnesty would have excluded thousands of members of the despised Ministry for State Security, or Stasi. Since communism collapsed in the east in 1989, dozens of East German spies have been arrested or turned themselves. Some have been sentenced to prison.

Judge Allows New Mandela Evidence

JOHANNESBURG (AP) — The judge in Winnie Mandela's kidnapping and assault trial ruled Tuesday that evidence from three other alleged attacks can be introduced by the prosecution despite protests from the defense.

But Judge M.S. Stegmann said he would have to adjourn the trial at some time to allow defense lawyers time to review the prosecution's new evidence before it is presented in court. He made no decision Tuesday on the date of an adjournment.

The judge said he was going to admit the evidence because Mrs. Mandela was a major public figure and her trial had raised great public concern. He said it was vital that all possible aspects of the case be heard. Mrs. Mandela, wife of the deputy president of the African National Congress, Nelson Mandela, is charged with kidnapping and assaulting four other young men in December 1988. Her chief bodyguard was convicted last year of killing one of the four, Stompie Moekhetsi Seipei.

Bogotá Accuses 2 Belgians of Terror

BOGOTA (AP) — The Colombian police captured two Belgians who are believed to have been hired by the Medellin cocaine cartel to carry out terror attacks, the chief of secret police, General Miguel Maza Márquez, said Tuesday.

The suspects, Marc Van Dam and Philippe Lacroix, were arrested Monday in Barranquilla, along the Caribbean coast, General Maza said. He described them as "true professional criminals" and said they were accused of having kidnapped the former Belgian prime minister, Paul Vanden Boeynants, in January 1989. The prime minister was released after a heavy ransom was paid.

Mr. Van Dam and Mr. Lacroix will be handed over to the international police in Bogotá on Wednesday, General Maza said, adding that they would face trial in Belgium. He did not say what kind of attacks the Belgians had been planning to carry out in Colombia. But the Medellin drug ring threatened Monday to bomb major cities in retaliation for persecution of drug traffickers.

Salvagers to Raise Portuguese Trove

SINGAPORE (Reuters) — A 16th-century Portuguese ship, laden with gold and said to be one of the world's richest undersea treasures, will soon be salvaged in the Malacca Straits, an Indonesian salvage company confirmed Tuesday.

"The wreckage of Flor de la Mar is lying about eight kilometers north of Tanjong Jambuair on the northwestern tip of Sumatra," said Tjetty, president of the salvage company, PT Jayatama Istikacipta. He said the three-masted carrack, a type of armed merchant ship, was found in March last year after an 11-month search. "We have salvaged coins and pieces of wood from the ship," he said, adding that the wreck is believed to be worth more than $1 billion. Other salvage parties had earlier reported pinpointing where the boat had sunk, but Mr. Tjetty said his company was the only one to receive a license to salvage the ship.

The Flor de la Mar hit reefs off Sumatra Island. It was carrying loot that Portuguese soldiers had plundered from the palace of the Sultan of Malacca after a siege in 1511. The ship, owned by the Portuguese commander Alfonso d'Albuquerque, is said to contain more than 20 tons of gold as well as chests of diamonds, rubies and other precious stones.

Corrections

An article in the March 15 editions on Crédit Commercial de France's 1990 results, which mentioned a 15 percent drop in pretax operating profit, should also have pointed out that the bank posted group net income of 813 million French francs, a 2.8 percent increase.

An Agence France-Presse report in an edition of March 16-17 about a World Bank loan to Iran contained two errors. It should have said that the United States voted against the loan and that it was the first to Iran by the bank since 1974.

TRAVEL UPDATE

Trains Begins Direct Run to Narita

TOKYO (AP) — Trains began operating directly to Tokyo's international airport Tuesday on newly extended rail lines that cut at least 20 minutes off the trip from central Tokyo.

The Narita Express makes the trip from Tokyo's central station in 53 minutes at a cost of 2,890 yen ($21). For 1,630 yen, the Skyliner does it in 61 minutes from Ueno, a station about 5 kilometers (3 miles) northwest of Tokyo's central district. Buses from various Tokyo stations usually take about one and a half hours for the trip, and sometimes twice that when traffic is tied up. By taxi, the trip costs about 20,000 yen.

A 36-hour strike by French rail workers beginning late Tuesday is expected to cut train services across the country Wednesday to one in four, the state railroad company, SNCF, said. Paris suburban services will also be severely reduced. Only the Paris-Lyon line of the high-speed TGV is expected to provided full service. *(AFP)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	12	54	4	39	r
Athens	19	66	11	52	s
Barcelona	14	57	5	41	s
Belgrade	13	55	3	37	s
Berlin	13	55	6	43	sh
Brussels	12	54	4	39	r
Budapest	14	57	3	37	s
Copenhagen	5	41	3	37	sh
Costa Del Sol	23	73	15	59	s
Dublin	12	54	5	41	sh
Edinburgh	12	54	7	45	r
Faro	19	66	10	50	s
Florence	22	72	8	46	s
Frankfurt	17	63	5	41	r
Geneva	12	54	2	36	r
Helsinki	2	36	-2	28	sn
Las Palmas	22	72	17	63	s
Lisbon	18	64	10	50	s
London	13	55	6	43	r
Luxembourg	19	66	3	37	s
Madrid	17	63	5	41	s
Milan	14	57	3	37	s
Moscow	3	37	-4	25	sn
Munich	14	57	3	37	r
Nice	19	66	11	52	s
Oslo	5	41	-1	30	sn
Paris	15	59	10	50	r
Prague	16	61	3	37	s
Reykjavik	4	39	0	32	sn
Rome	20	68	8	46	s
Stockholm	6	43	3	37	sh
Strasbourg	14	57	4	39	sh
Venice	17	63	8	46	s
Vienna	17	63	6	43	s
Warsaw	9	48	2	36	r
Zurich	10	50	3	37	r

MIDDLE EAST

Cairo	26	77	14	57	s
Istanbul	9	48	5	41	r
Moscow	—	—	—	—	—
Riyadh	27	81	21	70	s
Tel Aviv	24	75	13	55	s

OCEANIA

Auckland	—	—	—	—	—
Sydney	24	75	18	64	sh

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	25	77	s
Beijing	12	54	4	39	s
Hong Kong	21	70	18	64	sh
Manila	31	88	24	75	s
New Delhi	31	88	24	75	s
Seoul	16	61	1	34	sh
Shanghai	12	54	9	48	r
Singapore	29	84	23	73	sh
Taipei	26	79	18	64	sh
Tokyo	17	63	4	39	s

AFRICA

Algiers	28	82	5	41	s
Cape Town	26	79	16	61	s
Casablanca	17	63	10	50	s
Harare	32	90	18	64	s
Lagos	31	88	23	73	s
Nairobi	29	84	14	57	s
Tunis	17	63	9	48	s

LATIN AMERICA

Buenos Aires	—	—	—	—	—
Lima	27	81	19	66	sh
Mexico City	22	72	12	54	cl
Rio de Janeiro	30	86	24	75	cl

NORTH AMERICA

Anchorage	-3	26	-7	19	pc
Atlanta	21	70	10	50	s
Boston	7	45	3	37	r
Chicago	17	63	3	37	s
Denver	17	63	3	37	s
Detroit	11	52	-1	30	sn
Honolulu	28	82	22	72	pc
Houston	22	72	11	52	s
Las Angeles	25	77	17	63	s
Miami	27	81	18	64	s
Minneapolis	13	55	1	34	sn
Montreal	4	39	-4	25	sn
Nassau	—	—	—	—	—
New York	24	75	15	59	s
Phoenix	31	88	15	59	s
San Francisco	14	57	9	48	s
Seattle	12	54	5	41	sh
Toronto	5	41	-2	28	sn
Washington	16	61	5	41	r

cl-cloudy; fg-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Overcast. Temp. 13 — 8 (55 — 46). LONDON: Partly cloudy, then rainy. Temp. 13 — 10 (55 — 50). MADRID: Fair. Temp. 22 — 4 (72 — 43). NEW YORK: Partly cloudy. Temp. 14 — 4 (57 — 43). PARIS: Rainy, occasionally. ZURICH: Rainy. Temp. 12 — 5 (54 — 41). TEL AVIV: Hot (95 — 81). HONG KONG: Fair. Temp. 22 — 19 (72 — 66). MANILA: Fair. Temp. 33 — 29 (91 — 84). SEOUL: Rainy. Temp. 8 — 3 (46 — 26). SINGAPORE: Cloudy. Temp. 28 — 24 (82 — 75). TOKYO: Partly cloudy. Temp. 19 — 10 (66 — 50).

MEMORIAL NOTICE

On the first anniversary of the death of

M. MICHEL IBRAHIM WARDE

a memorial service will be held at the church of St. Julien le Pauvre, 1, rue St Julien, 75005 Paris, on Wednesday, March 20, 1991 at 11:30 a.m. His wife, Lidia, his children, Robert, Nayla, Rita, Danièle & Paola, and all of his family invite those who loved him to join them on this occasion. Warde Family, 17, rue de Monceau, 75008 Paris.

هكذا من الاصل

صكذا من الاصل

IN THE GULF: Dozens of Palestinians in Kuwait are said to be disappearing into a secret web of interrogation and torture.

Random Revenge Against Palestinians Prevails in Kuwait

Reuters

KUWAIT — Nearly three weeks after allied forces liberated Kuwait, dozens of Palestinians are disappearing into a secret web of interrogation, torture, detention, deportation and, in a few cases, death, witnesses and relief officials said.

Many Kuwaitis accuse Palestinians of collaborating with the Iraqis during the occupation. In an atmosphere of virtual gun law, some are now taking organized or random revenge.

Palestinians are picked up at checkpoints by the Kuwaiti Army and resistance or taken from hospitals and homes, rights workers said. Some are taken to police stations, others to schools converted into interrogation centers.

After an ordeal of hours, days or weeks, some have been shot and killed and buried in unmarked graves, according to Arab medical workers and gravediggers who said they had seen the bodies.

Kuwaiti ministers and army officers said they were aware that individual acts of revenge were taking place, but they denied that there was any systematic campaign of abuses.

"I don't think purposely organized torture by the government is taking place at all," Abdul Rahman Awadi, minister of state for cabinet affairs, said. "But I won't be surprised if there is some hard handling for personal reasons."

He said the government was trying to re-establish the rule of law and planned to bring accused collaborators to trial.

While expressing anger at the Palestine Liberation Organization, which backed Iraq in the Gulf war, ministers insisted they did not sanction reprisals against Palestinians in Kuwait — about 170,000 remaining from about 400,000 before Iraq's invasion.

At Al Riqqa cemetery in a southern city suburb, the register shows that at least 80 unidentified bodies have been buried since Iraqi forces were expelled from Kuwait.

Most had been shot in the head at close range, a gravedigger said. Some bore signs of torture, with fingernails missing, faces disfigured and burn marks on their bodies.

While many may have been killed by the Iraqis, some had died since the liberation, the gravedigger said. Most recently, 12 unidentified men aged between 15 and 30, most bearing signs of torture, were buried in a common grave at Al Riqqa on Sunday.

At another cemetery, in the Sulaibikhat district, the Kuwaiti director said families had come looking for missing relatives. He denied that any Palestinians had been brought for burial.

But an employee followed a reporter to his car and volunteered that a young Palestinian shot in the head had been buried there Thursday.

"We are afraid to speak," he whispered before slipping away.

Amnesty International said in London that it feared that Palestinians in Kuwait were being arbitrarily arrested and tortured by Kuwaiti soldiers and civilians.

Torture methods included beatings with canes, cables, rifles and rods, as well as electric shock treatment and having cigarettes extinguished on their bodies, the rights group said. It called for an investigation into the charges.

"The growing number of reports points to a pattern of abuses that must be open to urgent and independent investigation," it said.

Roberto Borea/The Associated Press

A money changer in Kuwait counting a mixture of Iraqi and Kuwaiti dinars as well as Saudi riyals and U.S. dollars. Kuwait said Thursday it would issue a new currency Sunday to help revive the economy.

U.S. Is Holding 3 Iraqi POWs On Suspicion of War Crimes

Reuters

WASHINGTON — The United States said Tuesday for the first time that some Iraqi prisoners of war were being held on suspicion of war crimes.

The chief Pentagon spokesman, Pete Williams, said at a briefing that U.S. forces had three enemy prisoners of war, or EPWs, whose names matched those on a U.S. list of suspected war criminals.

"These EPWs are being investigated," he said.

As for putting President Saddam Hussein of Iraq on trial, Defense Secretary Dick Cheney told a congressional panel that this was not a major U.S. objective at the moment.

Mr. Cheney, speaking to the House Foreign Affairs Committee, noted that the latest UN Security Council draft resolution for formally ending the Gulf war contained no provision for putting Mr. Hussein on trial, primarily, he said, because the United States did not have him in custody.

"That doesn't mean that some method might not be found to hold him accountable in the future," Mr. Cheney said. "But at present that's not been one of our major objectives."

Mr. Williams said he had no details on the three prisoners suspected of war crimes or their conditions of detention.

U.S. forces are holding 30,117 Iraqi prisoners of war after having turned over 17,849 others to Saudi forces in the next step toward repatriation, Mr. Williams said.

The International Committee of the Red Cross has repatriated 793 former Iraqi POWs and was planning to send back 500 more shortly. Iraqi commanders told their allied counterparts at a meeting on Sunday that they could take back no more than 500 former POWs a day because of logistical problems in reintegrating them.

Mr. Williams said the United States had personnel in the area gathering information on possible war crimes.

"We're building a body of evidence," he said. "It's going to be up to the members of the coalition, however, to decide how this is going to be handled. It's not going to be solely a United States decision."

Such information-gathering has been under way since Iraq invaded Kuwait in August, Mr. Williams said.

"There are now people over there who are going through a variety of kinds of efforts to gather that information," he said. "They're doing interviews, they're examining written records, they're gathering other materials, they're in contact with other countries, including Kuwait, about the investigation of possible war crimes."

Golan-for-Peace Suggestions Set Off Israeli Political Brawl

By Joel Brinkley
New York Times Service

JERUSALEM — Just a month before he was set to retire, the army chief of staff said Tuesday that, in his view, Israel might safely give up some occupied territories, if the state made satisfactory peace agreements with its Arab neighbors.

Lieutenant General Dan Shomron's remarks fell amid three days of escalating rhetoric from Israeli government officials who have seemed intent on demonstrating how intractably wedded Israel is to the Golan Heights. General Shomron's remarks helped turned a hot debate into a public brawl.

Immediately several members of th government told the general to keep his views to himself. Some said he should resign immediately, even though he is only weeks from retirement. And as his own answer, Housing Minister Ariel Sharon issued a public call to settlement leaders in the occupied territories, saying they should redouble their efforts to build new Jewish housing.

The uniquely Israeli political storm began on Sunday, when Health Minister Ehud Olmert gave a speech in Washington. He offered a view that is heretic for a Likud Party official by saying Israel might be willing to discuss territorial issues with Syria.

Israel seized the Golan Heights from Syria in the 1967 Middle East war, and Damascus demands its return as a condition for peace with Israel.

"We are ready to negotiate all of the issues," he told the American-Israel Public Affairs Committee.

As the United States tries to move the nations of the Middle East to make peace, Israel's stance is that it wants to open talks with the Arab states without conditions.

To many in Washington Mr. Olmert seemed to be offering only a logical extension of that position. But to Mr. Shamir and many others in his government, Mr. Olmert's remarks smacked of heresy and betrayal.

"I am not happy with Olmert," said Mr. Shamir, who counts him among his closest advisers. Other members of the governing coalition threatened to bring down the government unless Mr. Shamir repudiated Mr. Olmert's words.

He did, but that hardly ended the matter. General Shomron stepped into the middle of the widening storm when he offered his view in a briefing for Israeli military correspondents.

"A political arrangement, when it exists, is far more than just territory," he said.

"It is linked to limiting weapons, supervision of one country over another. Thus if you are talking about nations at war, without a doubt territory has very great significance.

"But when you talk about these other arrangements, it is clear that these include various elements which diminish the threat of giving up territory and offer the possibility, for example, of long-range warning."

Although the statement was oblique, it set off the government.

"Syria has the right to ask us to withdraw from the Golan Heights," Mr. Shamir said Monday, after asserting that Israel would talk to Syria without precondition.

But he added, "If Syria does ask, we shall say we do not agree to withdraw."

Asked what would then be left to discuss, Mr. Shamir replied: "We can talk about peace, about the ways of peace, about economic cooperation. There are many things. We say we are ready to negotiate unconditionally with all the Arab states, nothing more than that."

Mr. Sharon then announced that his ministry was in the midst of a major building program for new settlers on the Golan Heights.

"At the moment we are in different states that range from preparations of infrastructure to actual construction of 1,200 housing units in the Golan Heights, and I intend to add the same number next year," he said.

"There are 11,000 Jews on the Golan today," he added, "and we hope that next year the Jewish population there will be increased up to 20,000."

With their comments, Mr. Shamir and the others ended their weeklong hiatus on hard-line public statements, which had been ordered by Mr. Shamir when the U.S. secretary of state, James A. Baker 3d, arrived in Jerusalem.

Pressed by political rivals during a committee meeting in parliament to say what he thought of Mr. Baker's meetings with Palestinian leaders in Jerusalem a week ago, the prime minister said he considered them unfit for negotiations with Israel.

"They met him in the name of the Palestine Liberation Organization, to express the stand of the PLO," the prime minister said. "We shall not talk to people from the PLO."

IRAQ: *Kirkuk Claimed by Kurds*

(Continued from page 1)

mer Iraqi president, Marshal Ahmad Hassan Bakr, whom Mr. Hussein forced from power in 1979, has taken control of parts of Tikrit, which is about 145 kilometers northwest of Baghdad.

While reports from the government-controlled press in Baghdad have described efforts in recent days to restore order in the south of the country and begin reconstruction, little has been said about the situation in the Kurdish provinces of the north.

The U.S. State Department has confirmed reports in recent days that wide areas of Kurdistan are in the control of Kurdish forces. But reports also indicate that government troops are fighting back.

According to the reports on Iranian radio, monitored by the BBC, the Iraqi forces used napalm and phosphorous bombs in their effort to retain Kirkuk.

But the Kurds say that have taken over major establishments in Kirkuk.

Later, Tehran radio said that Kurdish rebels have also captured the town of Arbil.

GULF: *Dangerous, Boring Times*

(Continued from page 1)

do something dumb." On Friday, one of General Griffith's soldiers apparently experimented by putting a blasting cap in an Iraqi hand grenade.

The device exploded, spraying his legs and back with shrapnel, and he was evacuated by helicopter.

Thousands of soldiers have spent two weeks in more conventional demolition duty, blowing up countless tons of Iraqi munitions and hundreds of captured tanks, armored personnel carriers and bunkers.

Loud booms and smoke plumes accompany the work in Kuwait and southeastern Iraq.

Some commanders have tried to keep their soldiers sharp by turning demolition into a tactical exercise.

The army also has hauled a significant stockpile of war booty from the battlefield, including Soviet-made Hind and Hip helicopters, and tanks.

After months of relentless training and preparation for war, soldiers now get an occasional day off to do their laundry, play volleyball or catch up on their sleep.

One group recently clustered around a home-made board game called Monotony. Rather than going directly to jail, the unlucky go directly to Saudi Arabia.

Soldier psychology has changed markedly in the last three weeks, with the anxiety of imminent combat now supplanted by a restless impatience.

Many say they are most aggravated by the open-ended uncertainty of their lives.

A fixed date for getting out of here, even if months away, would provide something to look forward to, they say.

Hostages' Release Tied to Sheikh

Agence France-Presse

BEIRUT — Settlement of the Western hostage issue depends on the release of Sheikh Abdel Karim Obeid, a Shiite Muslim cleric captured in 1989 by Israel, and other detainees in Israeli prisons, the Islamic Jihad for the Liberation of Palestine said Tuesday.

In a statement sent to a Western news agency here along with a photocopied picture of an American hostage, Jesse Turner, the organization said, "These conditions were the ultimate requirements for a settlement of the hostage question."

Also Tuesday, the pro-Iranian Hezbollah, or Party of God, denied an ABC News report in which it was quoted as saying the 12 Westerners held hostage in Lebanon might be released "very soon."

UN Council Agrees to New Truce Terms

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — The five permanent Security Council members have reached broad agreement on the main elements of a new resolution for ending the Gulf war and allowing the withdrawal of U.S. and allied forces, diplomats say.

But significant details remain unresolved, the officials said.

The diplomats said the new resolution will set out again, but in greater detail, the cease-fire terms that the council approved on March 2 in Resolution 686. It is to make clear that once Baghdad has complied with the terms, a permanent cease-fire will take effect.

Iraq would not necessarily need to complete compliance with all conditions before the cease-fire occurred, diplomats said. The return of stolen Kuwaiti property and the payment of restitution, for instance, might continue after a formal end to hostilities.

But the five members envisage the secretary-general being given the task of monitoring Iraq's compliance and deciding when sufficient progress has been made to justify a cease-fire.

Diplomats said an important feature of the negotiations was a decision by President George Bush and Prime Minister John Major of Britain last weekend to add to the terms the destruction of President Saddam Hussein's remaining chemical and biological weapons and to seek a declaration from him renouncing terrorism.

While the new terms were never specified in previous council resolutions, British and U.S. officials say they can be justified by the council's earlier decision to seek the "restoration of international peace and security in the area."

But the call for the destruction of chemical and biological weapons raises difficulties, diplomats admit.

Iraq must cooperate with the destruction plan and allow monitoring of its stocks. And while the Soviet Union and France seem to support the demand, China, which also has a veto on decisions, says it would constitute interference in Iraq's internal affairs.

In addition, the United States and the Soviet Union are the only countries with the heavy equipment needed for destroying the armaments.

There is broad agreement among the five council members that Iraq must promise to establish some mechanism for committing future oil revenue to compensating Kuwait for war damages.

But how this would take place is unclear, since any agreement to pay compensation to Kuwait would eventually require the council to lift the commercial sanctions imposed on Iraq, so that it could start selling oil again.

This might only happen when the cease-fire comes into effect.

The council members plan to maintain the embargo on military deliveries indefinitely and perhaps impose special restrictions on the transfer of dangerous technologies used in chemical, bacteriological and nuclear weapons.

Plans for the council to station about 250 UN military observers along Kuwait's border with Iraq have also caused new complications.

Kuwait wants the council to place the troops along the frontier that Iraq agreed to in 1963, but which it now disputes. It also wants to require Baghdad to accept this boundary.

U.S. Warns Iraq on Use Of Copters

New York Times Service

WASHINGTON — The United States has told Iraq that the use of helicopter gunships against Iraqi insurgents represents a "threat to coalition forces" that could draw American military action against the helicopters, according to a senior Pentagon official.

The warning implied that allied warplanes, which dominate the skies over Iraq 24 hours a day, would begin shooting down armed Iraqi helicopter gunships that bring their weapons to bear on insurgents seeking to overthrow the government of President Saddam Hussein.

[The Defense Department spokesman, Pete Williams, said Tuesday that there was "compelling evidence" that Iraqi troops were using helicopters in offensive operations, Reuters reported from Washington.

["We have laid a clear marker out for Iraq on its use of aircraft, helicopters, and airplanes. We have made our intentions clear. The rules are clear. And I'm just not going to get into what we might do in response to an action that they take," he said.]

The warning, conveyed to Iraq on Sunday, was one of a series of steps the Bush administration has taken in the last week to press Iraq not to use military action against insurgent forces. The administration has explicitly barred Baghdad from moving its fixed-wing aircraft around Iraq.

In the first major allied redeployment of ground forces in the n Gulf, Pentagon officials said Monday that the army was planning to begin withdrawing about 100,000 troops and support personnel from southern Iraq this week for transport back to the United States over the next several weeks.

The sizable reduction of U.S. forces occupying Iraq appeared intended to show progress in bringing American troops home, an important political goal for Mr. Bush, while, at the same time, leaving a still large and formidable U.S. military presence in Iraq for a period of time yet to be determined while insurrection and instability continue.

Pending a formal cease-fire with Iraq, which could come this week at the United Nations, the withdrawal will leave behind about 100,000 heavily armed troops and support personnel in positions across 15 to 20 percent of Iraqi territory south of the Euphrates River.

■ 70,000 Troops Have Left

About 70,000 U.S. soldiers have left the Gulf since the war with Iraq ended but units holding Iraqi territory will remain poised for combat until a formal cease-fire is declared, the U.S. military said Tuesday in Dhahran, Saudi Arabia, Reuters reported.

"The redeployment is continuing but the major combat units are still in defensive positions and will remain so until we have a cease-fire" said Lieutenant Colonel Virginia Pribyla, spokeswoman for U.S. Central Command in Riyadh. "The withdrawal has not affected our combat capability."

She said soldiers from the first combat units to arrive in the Gulf last year, such as the 82d Airborne and the 24th Infantry Divisions, left in a "symbolic" withdrawal during the first three days of the redeployment, beginning March 7.

Reinhard Krause/Reuters

Björn Engholm, left, and Hans-Jochen Vogel at a press conference Tuesday to announce their Social Democratic Party's opposition to a wider military role for German forces.

Bonn Plans U.S. Talks On Reducing War Aid

Washington Post Service

BONN — The German government plans to send a delegation to Washington soon to discuss whether the United States really needs the entire German contribution to the cost of the Gulf war.

The move is a result of a call by the German opposition Social Democrats for Bonn not to complete its pledged $11 billion donation to the war. About $5.5 billion of that total was to be delivered to the United States in cash; the rest was directed at other members of the U.S.-led coalition or consisted of equipment and other noncash contributions.

The Social Democrats say that Washington will receive $60 billion from other countries while the war cost only $42 billion, leaving the United States with a profit.

Wolfgang Roth, a Social Democrat, said that Germany should stop its payments and use the money to roll back the tax increase announced by the government of Chancellor Helmut Kohl rather than "to add to the United States' surplus."

A Bonn government spokesman, Dieter Vogel, said that the allied coalition was still spending money on the continuing presence of troops in the Gulf region, and so it was premature to give a final figure for the war effort.

■ Wider Role Opposed

The opposition Social Democrats came out Tuesday against sending troops to fight under UN or European banners, thwarting Chancellor Kohl's plans for a wider military role in the world, Reuters reported from Bonn.

The party executive agreed that Germany, criticized for its limited role in the Gulf conflict, should only send troops abroad for UN peacekeeping missions, said Björn Engholm, the party's leader-designate.

German soldiers should be kept out of any intervention force formed under the Western European Union, said the outgoing party leader, Hans-Jochen Vogel.

Fulfill Pledges, Senate Insists

The Associated Press

WASHINGTON — The Senate voted Tuesday to halt arms sales to allied nations that have not fully delivered on their pledges to help pay for the Gulf war.

By a vote of 98 to 1, the lawmakers approved a measure providing $42.6 billion to pay for the war. Up to $15 billion of the costs would be borne by U.S. taxpayers, and the rest by expected foreign contributions. The ban on arms sales, on which there was no separate vote, was contained in the war-financing measure.

Only $25.6 billion of the $54.5 billion in aid promised by U.S. allies in the war has been delivered so far, said the chairman of the Senate Appropriations Committee, Robert Byrd, Democrat of West Virginia, who sponsored the ban.

The debate proceeded amid reports that Germany will soon ask for permission to renege on its promise of $6.6 billion in aid to the United States. Some German officials believe that since foreign contributions to the United States may approach the war's total costs, Germany should use part of its promised contribution to role back a recent tax increase there.

Once approved, the Senate will have to fashion compromise measures with the House before sending the legislation on to President George Bush for his signature.

The House approved its own versions of the bills March 7, limiting itself to a vague threat that "Congress may consider appropriate action" if allied aid falls short.

The provision would hit especially hard at Saudi Arabia and the United Arab Emirates, which between them are seeking to buy $19 billion in modern U.S. weapons.

The Saudis have delivered $6.1 billion out of $16.8 billion in promised aid. The United Arab Emirates has given the United States half its pledge of $4 billion.

The Senate provision was harshest on the United Arab Emirates. The report said it rejected a U.S. request for $7 billion in aid, despite its oil wealth and its proximity to Iraq.

Japan Delegation Sees Assad

Agence France-Presse

DAMASCUS — President Hafez Assad met here Tuesday with a Japanese parliamentary delegation headed by Toshio Yamaguchi of the ruling Liberal Democratic Party.

Gulf Veteran Is Killed by Detroit Bullet

The Associated Press

DETROIT — Army Specialist 4 Anthony Riggs vowed in a letter he would not die in the Gulf, where his family says he and his unit fielded Patriot missiles against incoming Iraqi Scuds.

His letter arrived Monday. But earlier in the day, Specialist Riggs, 22, was shot to death by car thieves on a street in northeastern Detroit.

He had written from Saudi Arabia: "And there's no way I'm going to die in this rotten country. With the Lord's grace and his guidance I'll walk American soil once again."

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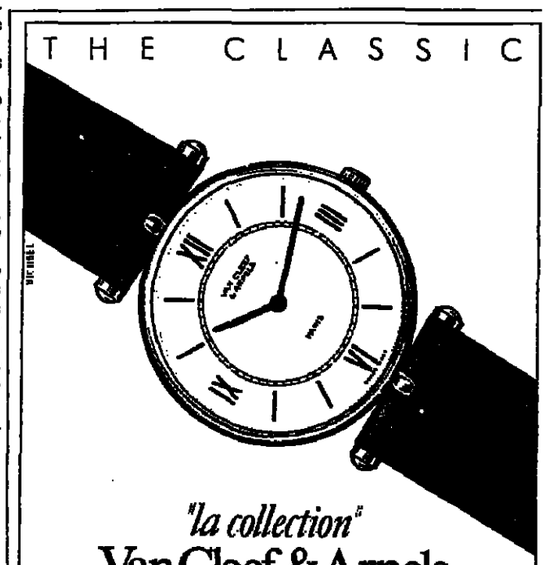

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OPINION

Having Their Own Say?

Mikhail Gorbachev's idea of how to preserve the Soviet Union appears headed for an underwhelming victory. The final tally of Sunday's referendum is not complete, but early returns suggest that the union is in no imminent danger of coming apart. However, they do not answer the question of how it will hang together. The mixed result should be a relief to Americans who have no interest in either Soviet disunion or a federation enforced by Moscow.

In a legal sense, the referendum is little more than a poll and cannot decide anything. The loaded question on the ballot was intended to elicit the affirmative answer it got. It asked voters: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics as a renewed federation of equal, sovereign republics in which human rights and freedoms of any nationality will be fully guaranteed?" Who could say no to that?

Quite a few did, including Russians, Ukrainians and others fed up with the disintegrating economy and eager to send Mr. Gorbachev a message of no confidence.

He framed the referendum as a yes-or-no vote on union. But the real choice facing the Soviet people is whether union will be imposed from the top down, or whether it will be rebuilt from the ground up — by negotiation among semi-sovereign republics and Moscow. That happens to be the approach favored by two of Mr. Gorbachev's rivals, Boris Yeltsin of Russia and Nursultan Nazarbayev of Kazakhstan. Just last week, for example, the Ukraine and Kazakhstan concluded one such treaty on trade.

Mr. Gorbachev hoped that a large yes vote would give him a mandate to undercut his opponents. But the narrow margins recorded in Russia, Byelorussia and the Ukraine, the republics at the core of the Soviet Union, could give Mr. Yeltsin and Mr. Nazarbayev a greater voice in determining how to reconstitute the union.

Some republics at the Soviet periphery that are intent on leaving the union altogether, like Lithuania, Latvia and Estonia, can also take some comfort from the result. They abstained from the voting, but had feared that a resounding yes vote could be read in Moscow as a vindication of its efforts to squash independence movements.

Six republics never put the question to a vote at all — Lithuania, Latvia, Estonia, Armenia, Georgia and Moldavia. Only four posed Mr. Gorbachev's loaded question. Lvov and other parts of the western Ukraine reversed the thrust of his question altogether by asking voters whether they wanted the Ukraine to become "an independent state." The voters said yes.

Spin doctors in Moscow and the various republics are almost certain to put their own interpretations on the results in an effort to strengthen their leaders' hands. But one message is already clear from the U.S.S.R.'s first referendum: No union will be possible unless all Soviet peoples are given a real say in their future.

— THE NEW YORK TIMES.

Kuwait Needs Reforms

At the end of any war when the liberators take over from the occupation, you expect a certain amount of on-the-spot settling of scores against those thought to have collaborated with the defeated regime. Rarely if ever does such a postwar transition meet normal standards of decency and fair play. What is reportedly taking place in Kuwait now, however, may be going beyond the irreducible minimum. There are disturbing accounts of abuses committed by elements of the Kuwaiti resistance and the returning Kuwaiti military against Palestinians and Iraqis and other among Kuwait's unusually large and vulnerable population of guest workers. Individuals have been subjected to detention, mistreatment ranging up to torture and disappearance, and summary deportation.

The Kuwaiti royal family was already being criticized for the slow pace of its restoration of order and public services. The authorities are now contending that they cannot control all the elements conducting arbitrary actions. There is even a certain embarrassed appeal for the American occupying forces to insert themselves between avenging Kuwaitis and the hapless guest workers. But this cannot be the solution to problems of street vengeance. The American mission was to liberate Kuwait and restore its governance to the existing legal bodies. The United States has no mandate and no business running the country. The legal government has the resources in manpower and matériel. The royal family should not need to be egged on to demonstrate that it is swiftly accepting its responsibilities to its own subjects. Protecting them — all of them, citizens and guest workers alike — is its first duty.

It is not that Kuwait is a weak, underdeveloped country incapable, even after a punishing war, of effective self-government. Side by side with the royal family is an impressive complement of able, educated and even sophisticated people at ease with the modern world. They are the Kuwaitis whose voices are now being raised for greater rights for women and noncitizens and for an expeditious return to the parliamentary constitutionalism that Kuwait aspired to in earlier years. A government spokesman says that parliamentary elections will be held in six months to a year. That puts a burden on the royal family to start making credible preparations now. In progress toward pluralistic, democratic and parliamentary rule lies the best assurance of fair treatment for all the people in Kuwait.

— THE WASHINGTON POST.

The World Banker

For the third time in 10 years, World Bank executive directors will elect a new president. In contrast, the International Monetary Fund has changed managing directors only once since 1978, and at the United Nations the secretary-general has served nearly a decade. In some circles, the turnover at the World Bank helm hints at discontinuity in the attack on problems of the developing world. Selection of highly competent individuals for the job, however, mitigates these concerns. Barber Conable, who leaves the World Bank presidency this summer, fits in that category. So does Lewis Preston, the retired chairman of Morgan Bank, who is President George Bush's choice to succeed Mr. Conable.

The World Bank that Mr. Preston takes over is in sound condition and enjoys support from several fresh quarters, including new members in Eastern Europe and some old foes in the U.S. Congress.

During Mr. Conable's tour, the bank's financial structure was strengthened considerably by a general capital increase and through a buildup of reserves. The senior staff was overhauled and some of the baronies in the bank reduced. The World Bank is now less vulnerable than it was in the Carter and Reagan presidencies to potshots from Capitol Hill and the White House. The bank's improved external relations and strengthened financial structure result from judicious use of the goodwill that Mr. Conable accrued as a senior Republican in the House of Representatives and as a key member of the Ways and Means Committee. Being widely regarded as an old friend of the president and secretary of state didn't hurt, either.

Mr. Preston also comes to the World Bank out of the president's friendship circle. He is known as a world-class banker and a gifted manager and leader. He will need all those attributes. The pace of change in the world is quickening. Switzerland and Albania soon will be added to the bank's membership rolls, and should the Soviet Union also enroll, the bank would stand on the verge of becoming a truly global institution. Sustaining the drive toward market-based economies, tackling global environmental issues, dealing with the enduring debt crisis, focusing attention on the divergence between Africa and the rest of the developing world, and responding to the needs of more than 1 billion people who struggle to get by on annual incomes of $375 per person — these tasks make the World Bank presidency something more than a retirement job.

— THE WASHINGTON POST.

Other Comment

Saddam Hussein Is Still There

One thought the conflict in the Gulf was finished. The allied troops had won, Kuwait had been liberated. Iraq was in ruins and George Bush could calmly discuss the post-war era first with François Mitterrand and then with John Major. And then suddenly one realizes that nothing is finished. Saddam Hussein, who had been practically forgotten, comes out of his box.

Listening to him, one would think he has not lost the war. He is simply the victim of an operation launched by Tehran, which, according to him, attempted to invade southern Iraq and to stir up the Shiite populations while at the same time trying to provoke troubles in the north of the country by stirring up the Kurds. Saddam Hussein himself admits that he has once again massacred insurgents, Shiites or Kurds. We have therefore not finished our mission. The coalition was engaged not only to liberate Kuwait but also to assure "peace and security." We had hoped that our defeat of Saddam Hussein was such that he would see the consequences and disappear. Nothing of the sort. He is still there.

— Le Figaro (Paris).

If the Shiites seized power in Baghdad, it would lead to a bolstering of ties with Iran. This likelihood horrifies the Americans, and they are ready to stage another war if things develop in a way that gives more weight to Tehran through alliance with a Shiite-run state in Iraq. The United States would never allow Islamic rule to succeed Saddam Hussein's regime, particularly if it was a Shiite regime having close links with Iran. What they are saying about their keenness to maintain Iraq's territorial integrity is true, but they want it intact as part of a weak state.

— Ash Shaab (Cairo).

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Yugoslavia: A Chance to Move Back From the Brink

By Mihajlo Mihajlov and Ira Straus

WASHINGTON — For two years, Yugoslavia has been sliding toward civil war. But the recent mass demonstrations in Serbia offer surprising cause for hope.

The slide began with a crackdown on the Albanian minority in Serbia, the largest of Yugoslavia's six republics. This proved so popular among Serbs that Slobodan Milosevic, the Serbian Communist leader, tried to take control of the Communist parties of the other republics. In self-defense, local Communists began talking with non-Communist opposition leaders about free elections.

Last year, multiparty elections were held in each republic. The Communists prevailed in Serbia and Montenegro, but lost power elsewhere. This left Yugoslavia badly split. The northwestern part of the country — mostly Roman Catholic and Croat, and formerly under Austro-Hungarian rule — is now non-Communist. The southeast — mostly Orthodox, Serb, and formerly under the Ottoman Empire — is still controlled by the Communists (now officially known as Socialists).

All six republic governments now pay more heed to ethnic nationalism than to any social or economic program. The governments in Croatia and Slovenia have threatened to secede if Yugoslavia is not transformed into a loose confederation. In Serbia, the Milosevic government has vowed to annex Serbian-dominated parts of Croatia if that republic secedes.

Mr. Milosevic has fanned Serbian militancy in Croatia. The Croatian government, for its part, has done far too little to seek reconciliation with its Serbian minority.

Last month, Serb-Croat tensions neared the boiling point. The all-Yugoslavia army, still under Communist control, threatened to intervene in Croatia, and this month it did so briefly. Civil war seemed days away.

Then suddenly, students and opposition forces in Serbia took to the streets, demanding first the resignation of Communist media officials and then — after the police beat scores of demonstrators and killed one — the resignation of the interior minister, Radmilo Bogdanovic, and of the entire Serbian government. They also called for new elections.

Mr. Milosevic made major concessions, effectively giving up control of the media, and Mr. Bogdanovic offered to quit. But Mr. Milosevic also asked the collective presidency of Yugoslavia to send in the military. When it refused, he withdrew recognition of the presidency and threatened to act on his own. This could precipitate the very civil war it is supposed to prevent. The only hope is that the military will draw back from such folly.

The demonstrations in Serbia have been widely misunderstood in the West as a breakdown of "order," a step over the brink of disintegration. Actually they are the opposite. They provide the first glimmer of hope for ethnic reconciliation. Already they have inspired solidarity where before there was only hostility: Croatian students have sent messages of support to Serbian students.

Army leaders have been itching to be called in to "restore order" — meaning to restore Communist control (though they promised Tuesday not to "interfere in political agreements about the future of the country.") If done in Serbia alone, this would perpetuate the cold war among the country's republics. If done throughout Yugoslavia, it would rend the country and anger the rest of Europe.

People often confuse order with centralized military control. A sound order includes a unified military. But in the absence of a sound political order, a unified military is only an enforcer of tyranny, or of rules that disorder society. The chaos of free social life is not disorder; it is the natural way of change and adaptation. True order is built within and around the chaos, through democratic decision-making processes and market structures.

In nature, scientists have found, order is always interlaced with chaos. The same is true in good government, which establishes a framework of order for the fertile chaos of life, channeling it into mutually tolerable paths. Military suppression, by contrast, usually only causes chaos to fester underground.

The road back from the brink for Yugoslavia is, first of all, to give free play to the "chaos" — the forces of change — in Serbia. If these forces bring non-Communists to power, the country will no longer be torn between the old Communist mafia in Serbia and the new non-Communist regimes elsewhere. But this would leave intensely nationalist forces in power in the major republics. It would give Yugoslavia only a chance of peace. More is needed than an elected government in each republic; the federal government must also be freely elected.

Federal elections are long overdue. In their absence, the federal government has lost legitimacy; the most legitimate governments are now those of four republics. Only new federal elections can close this gap. Free federal elections are the second step back from the brink.

Federal elections would not immediately produce a viable functioning federal system, but they would produce a "federal situation": a situation with legitimate governments on both the federal and the republic levels, each rooted independently in election by the people below, with some possibility of respecting one another, negotiating a constitutional division of powers, and exercising their powers independently or cooperatively, not conflictually. This is the final step back from the brink.

It will not be easy. But this, at least, is a plausible process, and it deserves support. Through it, civil war, which only a few weeks ago seemed inevitable, can be avoided.

Mr. Mihajlov, an author who has spent seven years in Yugoslav prisons, is chairman of the Committee to Aid Democratic Dissidents in Yugoslavia. Mr. Straus is executive director of the Association to Unite the Democracies, and editor of The Federator. They contributed this comment to the International Herald Tribune.

Now as Then, the Condition for Middle Eastern Peace Is Peace

By Eugene V. Rostow

WASHINGTON — Many well-meaning people imagine that there could be peace in Palestine if only the United States could browbeat Israel into giving up its claims to yet another slice of the land promised to the Jewish people in the British Mandate. They are deluding themselves and in effect preparing the way for another war that would threaten Israel's destruction.

Secretary of State James Baker, back from the Middle East, discovered that the Arabs are as reluctant as ever to make peace with Israel.

Security Council Resolution 242, approved after the 1967 war, stipulates not only that Israel and its neighboring states should make peace with each other but also that they should establish "a just and lasting peace in the Middle East." Until that condition is met, Israel is entitled to administer the territories it captured — the West Bank, East Jerusalem and the Gaza Strip — and then withdraw from some but not necessarily all of the land to "secure and recognized boundaries free of threats or acts of force."

The practical reasons behind both halves of that bargain remain valid today. The first requires no withdrawal without peace — a rule often wrongly described as "trading land for peace." Actually, it is quite different. It prescribes that there should be no withdrawal until peace is made; then there can be a complete withdrawal, a partial one or none, depending on what the parties decide.

The second reason is that Israel's new boundaries need not be the same as the armistice lines of 1949. This provision specifically addressed the problem of peace with Jordan. No state has title to the land between Israel and Jordan. Jordan's claim to have annexed the West Bank, never generally recognized, has been abandoned. The rulers of the Ottoman Empire were the last recognized sovereigns in the territory.

The Jordan-Israel armistice line, the "green line," is merely the position of both countries' troops when the fighting stopped in 1949. At Arab insistence the accords provide that the lines are not political boundaries but can be changed when the parties make peace. From the viewpoint of security alone it was obvious in 1967, and still is, that Israel must retain a substantial part of the West Bank for defense, considering the uncertainties about future Syrian, Iraqi and Iranian designs.

Beyond security there is the moral claim established by law. Israel has a stronger claim to the West Bank than any other nation or would-be nation because, under the League of Nations Mandate, Israel has the same legal right to settle the West Bank, the Gaza Strip and East Jerusalem that it has to settle Haifa or West Jerusalem.

While this proposition is not seriously disputed, the United States has sought to block or limit such settlements on the ground that they would discourage the peace process — a dubious proposition, since only Egypt has made peace with Israel since 1967.

This does not mean that Israel will or should insist on the entire West Bank. There is room for compromise. Israel has always maintained that it would make sacrifices for peace and that it wishes to remain a predominantly Jewish state.

The West Bank Arabs are mainly Jordanian citizens and should have the right to live in Jordan if they wish; today Jordan denies this right.

That issue aside, the soundest solution for the territories — the solution widely discussed when Resolution 242 was drafted — involved separate states in Palestine: Jordan and Israel. This would include special arrangements for the holy places in Jerusalem and an economic union embracing the entire area: Israel, Jordan and the disputed territories.

Every dispassionate commission that has studied the Palestine problem has recommended this approach. It was the idea behind the General Assembly's ill-fated partition recommendation of 1947, and it was Israel's policy for years after 1967.

This should be the goal of President George Bush's peace offensive and what he presses for when he visits the Middle East.

The United States should not seek an interim autonomy plan for some Arab parts of the West Bank, however desirable such a plan may seem for a transition period. If Mr. Bush's initiative fails, Israel should put such an autonomy plan into effect. But such an approach cannot lead anywhere except to another Palestinian state.

While Israel, Jordan, the West Bank Arabs and Syria struggle with the problems of making peace treaties, the other Arab states should comply with Resolution 242. They have no territorial disputes with Israel and can normalize relations by diplomatic recognition. Such action could profoundly alter the atmosphere of Arab politics and make Israeli negotiations with Jordan and Syria much easier.

A peace conference of any kind should be avoided. A large international parley would only be a forum for the stale rhetoric that has poisoned so many General Assembly sessions on the Palestine question. The way to proceed, when the Arabs and Israel are ready to negotiate, is bilaterally, with the help of America as conciliator if the parties wish.

Perhaps Mr. Baker will come to appreciate that Resolutions 242 of 1967 and 338 of 1973 (which makes 242 legally binding) provide the only possible agenda for negotiations because they constitute the only guidelines that the parties and major powers profess to accept.

Perhaps he also discovered in the Middle East that what cannot work is a plan to achieve peace at the expense of Israel's rights under the Mandate and Resolutions 242 and 338, which are its corollary.

Roman law has a wise maxim to the effect that good law cannot come from a shameful action — in this case, betrayal of Israel's rights.

Wars can come, however.

The writer, a fellow at the U.S. Institute of Peace, contributed to the formulation of Resolution 242 as a U.S. undersecretary of state (1966-1969). He contributed this comment to The New York Times.

Palestinians: Down to Reality From the Rooftops

By Jim Hoagland

JERUSALEM — During the war, Palestinians danced on the rooftops to celebrate Iraqi Scuds hitting Israel and urged Saddam Hussein to "send the chemicals" on the Jews. But in the war's aftermath, Palestinians sat down with the American secretary of state whom they had branded "a criminal" days before and asked, politely, for "justice" and for U.S. support for a state of their own.

How to explain the meaning of the Gulf war for the Palestinians of the West Bank, Gaza and Jordan? Why even try, given the language and gestures of hatred and frustration they used to condemn Israelis and Americans while their champion, Saddam, was promising to "burn" Israel and "drown" American soldiers in blood?

The Palestinian war experience shows the tenuous balance between memory (hatred) and experience (realism) that governs Palestinian reactions to events beyond their control — that is, to all events. Their own destiny was wrenched from their hands long ago. Understanding the strategic schizophrenia they evidenced over the last seven months is key to understanding the opportunities and risks that lie ahead for new peace efforts in the Middle East.

The rapid swing in rhetoric from the Palestinians — from blood to justice — is more than a quick, opportunistic recognition of the realities of power. The defeat they suffered through Saddam chastens the Palestinians and sparks a genuine reassessment of how they could have blundered so badly. Thus they meet with Jim Baker in the wake of defeat, while they refused to see George Shultz three years ago. "All of the anti-American rhetoric of past decades now turns out to be empty," the British newsman Robert Fisk wrote last week in The Independent.

But that bitterness and mass delusion that Saddam was able to stir in the followers of Yasser Arafat and King Hussein of Jordan should not be forgotten as the new peace season begins. "There is still a lot of dynamite out there," a senior Israeli government minister says of the humiliations, real and imagined, that breed Palestinian desires for revenge at any cost, including self-destruction.

Both reactions are real and at war with each other. Memory in diaspora of a lost homeland to be regained or avenged dominated during the war. Now, experience briefly tells Palestinians that there are worse things in defeat than half a loaf.

Thus the exile leadership of the PLO, which vowed to stay in the trench with Saddam to the end or to pray with him in Jerusalem in victory, manufactures a reverse Nuremberg principle to expunge Mr. Arafat's disgrace. "The PLO reflected the views of the Palestinian masses in the Gulf crisis. Any government anywhere in the world would have done the same," says a member of the PLO executive committee, Abdullah Hourani. We were only following the orders of the people we lead, sing Mr. Arafat and King Hussein in unison.

Mr. Hourani's alibi is not only ludicrous, it is false. In the conflict's closing days, Mr. Arafat boasted to trusted Arab interlocutors that Saddam would outlast the Americans and win the war.

Palestinians in the West Bank know that. Mr. Arafat's stock has never been lower among them. Moderates in Jerusalem now want the slightly less sullied King Hussein to represent them in negotiations with Israel and America for statehood and a Jordanian-Palestinian confederation. Nearly three years after he renounced his claims over the West Bank, King Hussein is being urged to take the baton from Mr. Arafat and resume the race.

The narrow question of whether King Hussein or Mr. Arafat fronts for them is less important than the reality that the Gulf war has cost the Palestinians the outside sympathy and support that three years of the uprising known as the intifada had brought them. They start again — if they start again — from zero.

I asked a Palestinian intellectual why the intifada-makers had not defied the strict six-week curfew the Israelis imposed during the war. "They knew they would get shot if they stepped outside the house," he responded. "Who wants to die when it will not even be noticed?"

Politically isolated, the territories are also economically devastated by the curfew and Israel's postwar decision to ban indefinitely up to 100,000 Gazans and West Bankers from the jobs they normally do in Israel as a security measure. The exclusion of hundreds of thousands of Palestinians from the lucrative jobs they held in Kuwait and elsewhere in the Gulf deepens the economic plight.

The consequences of the defeat of Iraq engender a desperation here that in the short term could force local Palestinian leaders to ignore Mr. Arafat and seek less demanding accommodation with Israel. But if stalemate persists, the store of bitterness and frustration Saddam drew on will be quickly replenished.

The deadly dance on the rooftops showed that the Palestinians who preach armed struggle and the destruction of Israel have a large following in the occupied territories. Blocking their bid for the soul of the Palestinians in occupation is an urgent task for the peacemakers — and for the Palestinians themselves.

The Washington Post.

Soon, a New Boss at a Changed Bank

By Hobart Rowen

WASHINGTON — When George Bush's friend Lewis Preston, former chairman of J. P. Morgan, takes over the World Bank presidency from Barber Conable on Sept. 1, he will face a dramatic new situation. For the first time, more than half of the total Third World debt is now held by the World Bank, the International Monetary Fund and other official lenders, and less than half by the commercial banks. It is the reverse of the situation that used to prevail.

This "officialization" of Third World debt is likely to grow — with strong political fallout. In effect, the risk of lending money to poor countries is being transferred from commercial bank stockholders to the backs of taxpayers.

Commercial banks, having been stung by defaults and forced reschedulings during the '80s, are pulling out of many areas of the Third World, leaving the responsibility to the World Bank and the IMF. The exposure of the bank and the IMF to increased risks has also come about because of the money they have been advancing to help finance the Brady debt reduction plan. If the "officialization" pattern continues, as is likely, Mr. Preston could find, some time before the end of his five-year term, that the bank's vaunted triple-A rating is threatened.

"Preston's big challenge," says Richard Feinberg of the Overseas Development Council, "is that the debt problems of Latin America and Africa deepened, and weren't turned around in the 1980s. A few countries, like Mexico, look better. But for nearly one billion people in Latin America and Africa, the bank under Conable hasn't been able to come up with any answers."

Some of the more advanced of the poorer countries that the bank is supposed to be helping are actually repaying more money to the bank than they get in new loans.

Mr. Conable hands the reins over to Mr. Preston at a time when conditions create the need for a new identity for the bank and the IMF, which were set up at the end of 1945 to help restore a global economy ravaged by World War II. The bank needs a new focus. In addition to the continuing problems in Latin America, Africa and some parts of Asia, there is the daunting task of meeting new demands for help from Eastern Europe. The Soviet Union faces massive economic problems and needs help from the West. Mr. Preston will have to grapple, along with other institutions and governments, with Middle East reconstruction as well.

Moreover, as president of the World Bank he will face an entirely new problem: the growing acceptance of the idea that his institution must place "political conditionality" on its loans.

That is a polite way of saying that the rich countries that put up the capital are tired of opening their pocketbooks to countries with corrupt political systems, or where violations of basic human rights are accepted. Mr. Feinberg points out that the new European Bank for Reconstruction and Development has accepted "political conditionality" in its articles of agreement, setting a precedent.

This is a sea change from the idea prevalent in the 1960s and 1970s that authoritarian governments, as in Chile or Zaire, were necessary as a backdrop to assure "sound" economic programs. Recent experience, as Eastern Europe turns away from Soviet-style command economies, gives the lie to that theory. Economic progress goes hand in hand with open political systems.

Mr. Conable can look back with satisfaction on his own contribution in shifting World Bank expenditures away from the sometimes ridiculous "project" loans of an earlier decade that satisfied the ego requirements of tinhorn dictators, such as sports stadiums and grand office buildings. He nudged the bank back toward the original and basic goal of reduction of poverty. He also heeded the demands of environmentalists, birth control planners and defenders of women's rights, although not to the full satisfaction of everyone.

In fact, in his final years Mr. Conable has been saying most of the right things, and after a start that he himself calls "rocky" he became quite popular in the bank. Now — like his predecessor, A. W. Clausen — Mr. Conable is finishing after a single term. Mr. Preston, who will be 65 when he takes over, is also unlikely to serve more than five years. That does not give the bank the kind of longer-term continuity at the top that it should have.

In an unwieldy bureaucracy, one is never sure whether the operational folks can be persuaded to carry out orders from the top banana. Action does not always follow rhetoric, as Mr. Conable found out. The Third World will wait anxiously to see if Mr. Preston can find a managerial formula that eluded Mr. Conable and Mr. Clausen.

The Washington Post.

100, 75 AND 50 YEARS AGO

1891: Immigrant Treaty

NEW YORK — A treaty providing for unrestricted immigration of Japanese subjects into the Hawaiian Kingdom has been negotiated between the Emperor of Japan and the Hawaiian Government. The terms of the treaty are not yet published, but it is known that extraordinary inducements are offered to Japanese coolies and farm hands, such as free passage to the islands, exemption from taxation, and a bounty of 75 Mexican dollars to each immigrant.

1916: Prince in Egypt

LONDON — The War Office announced that the Prince of Wales has arrived in Egypt, on his appointment as staff captain on the staff of the General Officer Commanding the Chief Mediterranean Expeditionary Force. This is the first public announcement that the Heir to the Throne had left France. The Prince went to the front soon after the outbreak of war, and by his absence of "side" and absolute disregard of danger has endeared himself to all ranks. Letters sent home by soldiers attest to the Prince's zeal and his refusal to accept any privileges.

1941: Feeding France

VICHY — Marshal Philippe Pétain asserted this afternoon [March 19] in a loudly acclaimed speech at Grenoble — home of the famous Alpine "Blue Devils," who resisted the Italians for a few days before the armistice took France out of the war — "we count largely on American aid to solve the food problem." Washington despatches in the French press indicate that, through the intermediary of President Roosevelt, a compromise is being worked out with the British government whereby feeding of unoccupied France would be carried out under the auspices of the American Red Cross.

— From the New York edition of the New York Herald Tribune.

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OPINION

Don't Leave the Dalai Lama Out in the Cold Yet Again

By A. M. Rosenthal

NEW YORK — There was no way to escape writing this column. I thought I was going to write about other things, which I knew would interest more people, like the *Soviet Union's* approaching civil war or Saddam Hussein's approaching annihilation, or that sickening lynching in Los Angeles. But I could not escape knowing that now was the time to write about Tibet — and how cruel April will be in Washington for one small country unless members of Congress say no, they have had enough.

Every person has certain things about which he feels he must speak now and then, not because people listen but because they don't. Something strong coming out of experience or convictions insists that eventually attention may be paid but even if not, at least speak.

Some of the reasons I cannot escape the Dalai Lama and his countrymen are personal — years spent in Asia as a foreign correspondent, and detestation of communism and all other forms of dictatorship. Another reason has to do with Raphael Lemkin. He was a very annoying man. For years Raphael Lemkin wandered the headquarters of the United Nations, plucking at diplomats, trying to persuade member countries to sign a convention making it a crime to destroy a whole people or its culture. Finally they did sign, and he died, almost alone.

Tibet is a victim of a case of genocide as ugly as any since World War II. The country had 6.5 million people when Communist China invaded in 1950. Its government of monks was tyrannical in its own ways. But its people were united by common history, common language, the common religion of Buddhism.

Nine years later the Dalai Lama, for Tibetans the 14th incarnation of the spirit of godliness, escaped to India. In exile, he has grown to be a celebrated international political and religious figure and, ever more, his people's leader.

But in the Himalayas, at least a million Tibetans were murdered or tortured to death, or died of starvation because of Chinese colonialism.

Beijing annexed two-thirds of Tibet. Scores of thousands of children were shipped to China for education and indoctrination. Millions of Chinese were *sent into* Tibet, a *criminal, genocidal* attempt to erase Tibet's reality. In the annexed areas they outnumber Tibetans.

The United States refuses to recognize the Tibetans. Be sensible — what kind of a market is Tibet compared with China and how many missiles does it have?

The Dalai Lama goes on. He offers to give up foreign and military affairs if Beijing gives Tibetans self-rule. He outlines a Tibetan government based on democracy and nature. And in 1989 this man who cannot get past State Department doors receives the Nobel Peace Prize.

Tibet asks no soldiers from the United States, no Patriot missiles, just attention, and plain words to its oppressors that genocide is as ugly in the mountains as it is in the desert.

The greatest of all American angels, tested and proved, is not that it is a world policeman but that it will give its political support to freedom. There lies American national interest in Tibet.

In Washington are senators and representatives of both parties who believe this. Congress has passed seven resolutions supporting Tibetans. In Tibet they are passed from hand to hand, a secret wheel of prayer. Last year, members of both houses tried to organize a joint session of Congress for the Dalai Lama. The White House objected, so they selected a new date — this April, when the Dalai Lama would again be in America.

But just a few days ago the White House was seized by a sudden desire to have President Violeta Barrios de Chamorro of Nicaragua speak to a joint session in April, and of course Queen Elizabeth is coming in May. Congressional leaders said that eliminated the Dalai Lama because after all, how many joint sessions could you have?

Traditionally, Congress follows the White House lead on joint sessions for foreigners, but there is no law about it. Representative Charles Rose, Democrat of North Carolina, says he is so mad he may have a meeting on the Capitol steps.

Everybody knows it will not be the same thing. A joint session, such as Lech Walesa had after he received the Nobel Peace Prize, would be recognition of the captivity and hope of the Tibetan people. It does not seem too much.

The New York Times.

ON MY MIND

Face-to-Face With Saddam: This Makes Me a Sympathizer?

By Peter Arnett

This is the second of two articles.

JERUSALEM — Several of my stories from Baghdad were the subject of controversy in the West. My coverage of the bombing of what the Iraqis identified as an infant-formula factory, and of the bunker in which hundreds of sleeping civilians were killed, were, I have learned, the subject of debate. In time, I will address those and other stories.

But perhaps the most curious circumstances surrounding my story I did involved my interview with Saddam Hussein, conducted in the second week of the war. The promise of such an interview had kept Bernard Shaw in Baghdad during the war's opening days, and CNN's president, Tom Johnson, had been urging me to pursue it.

MEANWHILE

I emphasized to officials from the ministries of foreign affairs and information the need for a coherent explanation of Iraqi policy at this stage of the war. We had been dependent on the patriotic tirades of Radio Baghdad, echoed in the daily press, for a sense of government direction.

Late one afternoon in one of the darkened recesses of the Rashid lobby, I was told I had an "important" interview. I presumed at first that it was with the information minister, Latif Nasif Jasim, until five burly young men in suits and ties escorted me to a room on the second floor, asked me to undress completely, and began checking every pocket and seam of my clothing. My wallet, watch, pen and notebook, handkerchief and comb were put into a plastic bag and taken away.

Now fully dressed, I was taken to the bathroom and my hands were immersed in a disinfectant. This was either an extreme form of security, or else, I mused, Saddam Hussein has a Howard Hughes-like phobia of germs. Then I was escorted back to the lobby, and told not to talk to or touch anyone.

As I waited, my CNN colleagues arrived after a three-day overland trip from Amman with a portable satellite video transmitter and tons of other gear. As they joyfully descended on me, I had to shout, "Don't touch me!" When they later phoned the CNN international editor, Eason Jordan, and told him what had happened, he told them that maybe I was angry that they were late.

I was taken to a black BMW and sat alone in the back seat as the driver crossed the July 14 Bridge and drove into the darkened city. It soon became clear he was checking to see if he was being followed. To throw off any possible pursuer, he rounded traffic circles three and four times, and wove in and out of poor neighborhoods.

After an hour of driving, we pulled up at a bungalow on a prosperous-looking street. An attendant came to the car and took me inside. The living room had been transformed into a presidential suite, with brocaded chairs, official seals and three Iraqi Television cameras — all powered by a humming generator. Saddam's closest aides were there — his chief of staff, a nervous, obsequious young man; his personal secretary; and his young interpreter, who was familiar from the 16 interviews Saddam had given Western television.

While we waited, the group discussed in English some programming they had seen on CNN monitors in government ministries in Baghdad, laughing at pictures they had seen of me operating the satellite telephone in the hotel garden. Only the information minister knew my name. Saddam's secretary asked me to spell it twice before introducing me to the president when he arrived. Saddam shook my disinfected hand.

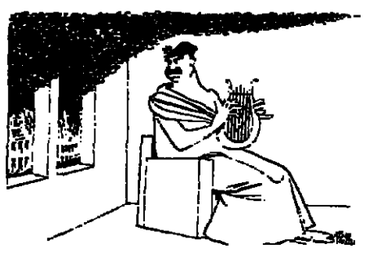
En route to the interview I resolved to be as tough in my questioning as the situation would allow. I was not intimidated by the prospect of encountering the man many had called "the Butcher of Baghdad." I figured he could do no worse to me than the constant bombing of Baghdad was threatening to do.

Saddam Hussein unsettled me initially. I had expected him to be in uniform, but he wore a mohair topcoat over a well-tailored dark blue suit. He made small talk by asking, through his interpreter, why I had stayed in Baghdad. I replied it had become a force of habit because this was my 17th war. He expressed the hope it would be the last I would have to cover, and asked if I had "a long list of questions" to present to him. I answered melodramatically that I intended to ask him the questions to which the world wanted answers. He smiled, nodded his head and invited me over to the cameras. "Let's go," he said.

As I began my first question, I locked eyes with him, and stayed unblinking throughout. I was as undeferential as possible. From the corner of my eye I could see his aides stiffening and muttering, but the president seemed relaxed and at the end thanked me for the conversation, posing with me for pictures that aides later sent over to the hotel.

After Saddam left the interview room, I had an argument over the videotape. Iraqi cameras had photographed three angles, and Saddam's secretary wanted to let me have the tapes the following day. I wanted to take the tapes with me, because I was concerned that the Iraqis might try to censor the material. We compromised; I would take delivery of the tapes within two hours at the hotel, dub them and return them to Iraqi Television.

We planned to transmit the interview as our first video feed from Baghdad, and our two technicians struggled through the night to assemble the equipment. But by late morning, I discovered that the Iraqi officials had changed their minds about using the "uplink" for the interview. One told me, "The moment you start sending pictures of Saddam from here the Americans will bomb the satellite and the hotel."



This was the continuation of the argument over whether we should stay in the hotel at all. I had resisted initial attempts to move me to a "safe-house" in the suburbs; there was no way I would give up the panoramic view of the air war from the hotel terraces. The government had also attempted to resist my use of the satellite phone to transmit daily reports in the earlier stages of the war. I argued successfully that the allies were more interested in hearing Saddam than in silencing him, and by late evening the first pictures were beaming to CNN headquarters in Atlanta — and I was praying that my confidence in the coalition's curiosity was not misplaced.

□

I have not yet seen enough of the commentary on CNN's coverage of the Gulf war to react to it. I know I have been criticized, and that many colleagues defended CNN's decision to allow me to stay in Baghdad. For that I am sincerely grateful. Later, in consultation with CNN, I intend to make a thorough examination of the criticism, and if necessary, a defense.

Criticism I accept — and expect. It is the labeling that angers me. For covering the Vietnam War the way we did, many of us were labeled "enemy sympathizers," if not Communists. For being in Baghdad when I was, I was again labeled a sympathizer, if not a fascist.

I would go anywhere for a story if there was enough viewer interest and CNN wanted coverage. I would go to Hell itself if someone important down there wanted to be interviewed. But then, the labelers would probably declare I was there because I was an atheist.

The writer covered the Gulf war from Baghdad for Cable News Network. He contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

A Gap in the Japanese Plan

Regarding "Japan: It Could Lead a 'Marshall Plan'" (Opinion, March 6) by Takajiro Hamada:

Mr. Hamada, the former Japanese vice minister of foreign affairs, managed to write a whole article about the Middle East with barely a mention of Israel and *not a word about its inclusion in any* "Marshall Plan."

Japan cannot play any role in the Middle East because its relations with Israel have always been terrible.

Japan has avoided signing economic agreements with Israel. Japan Airlines will not land in Israel nor will Japanese ships anchor at Israeli ports. Japan's large trading companies and major manufacturing concerns refuse business dealings with Israel. Japanese banks refuse to provide long-term credit for financing export to Israel.

And during the Gulf war, Japanese banks refused to honor letters-of-credit from Israeli banks. Postal services to Israel were cut off. And Japanese companies refused business with traditional buyers in Israel.

Japan's attitude is not the result of anything Israel has done to Japan. It flows from a short-sighted attempt by the Japanese to win Arab contracts.

JOSEPH ALTMAN.
Jerusalem.

Regarding "Kuwait Should Be the First to End the Israel Boycott" by A. M. Rosenthal (Opinion, March 9):

The embargo imposed on Iraq after the invasion of Kuwait was generally held to be a stern measure, capable eventually of toppling the Iraqi dictator. But Israel, as Mr. Rosenthal points out, has been subject to a far more drastic Arab trade embargo since 1948.

This has stifled Israel's economy. But it is rarely mentioned in the press; and never mentioned by those political leaders who tell Israel to go the extra mile for peace without ever pressuring Arab countries to do so. This double standard must be addressed if the Palestinian problem is to be solved.

JOAN BERNARD.
Vernouillet, France.

Europe and America

Regarding "Her View of the U.S. Role Had a Euro-Cynical Bent" (Opinion, Feb. 13) by David S. Broder:

According to Margaret Thatcher, America is strong because it was built on the idea of liberty, whereas Europe is a "product of history, and not of philosophy." To that, Mr. Broder retorts that America too is a product of history, centered on the struggle between equality and liberty.

Indeed, both America and Europe embody their respective historical processes. But while the former has nevertheless succeeded in having its philosophy prevail, the latter has clearly failed to produce a unifying idea.

Mrs. Thatcher might have gotten the historical mechanics wrong, but she was right on the point, unlike Mr. Broder.

DORON BERENBLIT.
Antwerp, Belgium.

There are major differences in the way various European countries understand the values of liberty and equality; this, I *believe, will make it difficult* for the European Community to become a world power like America.

On the liberty vs. equality distinction, Mr. Broder should check his history books. In 1776, the Declaration of Independence defined liberty for a new country. Equality came later. The U.S. Constitution (1789) and the Bill of Rights (1791), and various acts over the years providing for civil rights and equal pay defined equality for the individual.

What makes America unique is that it has fought for these basic rights during its entire existence as a nation.

Germany and Japan, in contrast, with political establishments reconstructed after terrible defeats in World War II, did not fight for freedom in Kuwait. Their value of freedom does not support fighting for others' freedom. Britain and France (God love them) did fight. They understand freedom's price.

CHARLES J. KIEZULAS.
Munich.

I was amused at the letter from Francis M. S. Peel *(March 12)*, in which he complains that President François Mitterrand was able to speak about the Gulf war for 15 minutes without mentioning the name of George Bush.

In my opinion, both France and England have been shortchanged in the U.S.-controlled media extravaganza; and the French are entitled to 15 minutes' time to reflect on the sacrifices they have made and the victories they have won.

DIANTHA F. WAGNER.
Menton, France.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

Fighting Air Pollution, Salinas Shuts Mexico City Refinery

By Mark A. Uhlig
New York Times Service

MEXICO CITY — In a dramatic move to combat this city's deepening air pollution crisis, President Carlos Salinas de Gortari has ordered the immediate closing of the city's largest government-operated oil refinery.

The decision to close the refinery, which sprawls over about 175 hectares (about 430 acres) in the north of the city, will cost an estimated $500 million, and will reduce the country's crude-oil refining capacity by more than 100,000 barrels a day.

In addition, oil-industry officials said it will force Mexico to import some kinds of gasoline until new refining capacity can be built.

But the action Monday will abruptly eliminate what environmentalists have long considered one of the worst sources of pollution in the mountain-ringed capital, which is now suffering under one of the most dangerous periods of contaminated air in its history.

The gravity of the crisis has provoked growing discussion of dramatic measures to cut emissions and bring clean, fresh air into the Valley of Mexico.

One radical plan that has been discussed recently is a proposal to cut deep passes through the high mountains that surround the capital. But that idea has been harshly criticized by environmental experts.

Mr. Salinas declared that the giant refinery would be replaced by public parks and other green spaces to help head off a still graver environmental crisis.

"The government is prepared to impose upon itself the most severe measures to protect public health and to respond to social demands," Mr. Salinas said, announcing the decision at a ceremony marking the 53d anniversary of the nationalization of Mexico's oil industry.

The announcement came after weeks of growing public concern about the medical effects of recent pollution levels, which have reached nearly four times maximum limits established by the World Health Organization for key pollutants.

It reflected the intense political pressure that the government has felt as it has tried to cope with the city's visibly deteriorating air quality without bringing its vital industries to a halt.

The director of the state-run energy monopoly, Petróleos Mexicanos, said Monday that the refinery, which was first opened in 1933, had served as "backbone of production and distribution of fuels" for the capital, and that extensive studies were made in an effort to keep it open at lower levels of emissions. The refinery accounted for roughly 7 percent of overall national refining capacity, oil officials said.

But the director, Francisco Rojas, said that government officials had ultimately concluded that the refinery should be shut completely and immediately.

Officials of the energy monopoly, which is commonly known as Pemex, said the refinery currently employed 5,429 workers, 3,206 of whom were directly involved in the refining process.

But they said that no workers would be laid off, and that the company would accelerate plans to build a new, 300,000-barrel-a-day refinery outside the capital region.

Adulterous Schoolteacher: An Update

International Herald Tribune

WASHINGTON — With the Gulf war shifting from the combat to the netherworld of diplomacy, something has had to replace all that air on the 24-hour Cable News Network, on morning talk shows and under newspaper headlines.

Take the trial of the New Hampshire teacher who had an affair with a student, then allegedly conspired to have the boy *murder* her husband. Similar tales of murder and intrigue are now figuring prominently on an American news agenda that only a few days ago featured life and death on a foreign battlefield.

On Tuesday, the teacher, Pamela Smart, 23, testified that she thought the police had arrested the wrong person when they took into custody William Flynn, 16, with whom she was having an affair.

Mrs. Smart said that she kept information about her husband's *murder from* the police because she was distraught and thought they had made a mistake by arresting her lover.

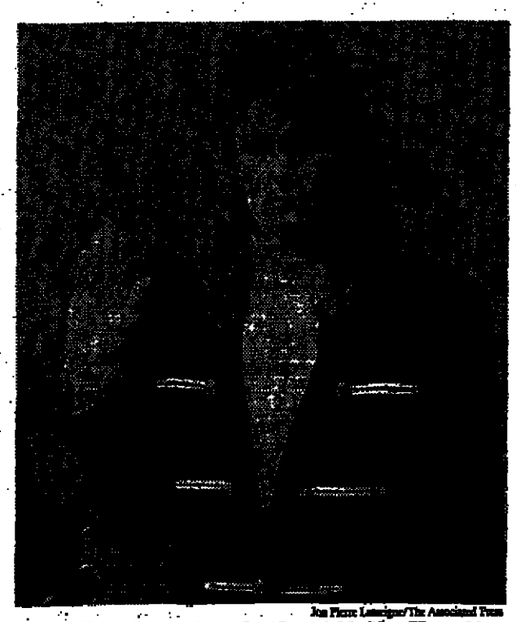
"My husband was murdered and I was not thinking rationally at the time," Mrs. Smart said under cross-examination. "Unless you've gone through something like this you can't understand."

On Monday, she said she loved her husband, Gregory, but could not seem to break off her affair with Mr. Flynn.

"I liked Bill, but I also loved Greg," she testified.

Mr. Flynn and two other boys have been convicted of shooting the teacher's husband to death in May while trying to make it look like the work of a burglar.

Prosecutors said the teacher seduced Mr. Flynn, then used her influence to persuade *him* and two friends to murder her husband because she was afraid a looming divorce would *ruin* her life.



Jon Flynn Lanzigar/The Associated Press

Pamela Smart taking the oath at her trial in New Hampshire.

Mrs. Smart's lawyers said the husband, an insurance salesman, was slain by the three boys in a "thrill" kill. The boys are now framing the widow, they argue, to avoid life terms behind bars.

So many people want to watch the public trial that they are lining up at 1 A.M. for the 30 courtroom seats in Exeter, New Hampshire.

"It's like a little mini-series come to life," said Steve Osborn, who arrived with a pillow at 2 A.M.

Mrs. Smart is charged with *conspiracy to commit murder*. She took the witness stand Monday for the first time after spending seven months in prison awaiting trial.

The teacher said she tried to cut off her affair with Mr. Flynn but that he threatened to kill himself.

"He started crying and he said he couldn't live without me," she testified. "I felt bad. I did not want to hurt his feelings."

"I was ashamed of the affair," she said Tuesday. "I still am."

She confirmed that she first had sex with the boy after watching an adult movie on videotape but denied that she later arranged the murder of her husband or knew the boy had carried it out.

The three boys have testified for the state under a plea bargain carrying minimum prison sentences of 18 to 28 years.

Mr. Flynn told the court that Mrs. Smart initiated the affair but threatened to end it if he did not agree to kill her husband.

In July, the police supplied concealed taping equipment to Mrs. Smart's student intern and secretly taped conversations that seemed to show the teacher knew about the murder plot. The tapes were played for the jury last week.

Mrs. Smart admitted to having driven Mr. Flynn and his friends to Haverhill, Massachusetts, the day of the killing to pick up the car they drove to the murder scene, but she said she did not tell the police because she did not want them to know of the affair.

"So you consciously then decided you wouldn't tell that piece of information, even though all three of them were together on that day, all three arrested for the murder?" asked the prosecutor, Paul Maggiotto?

"Right," she said. "Because I didn't want to talk about Bill Flynn to the police."

Even when detectives asked if she knew any possible motive Mr. Flynn and the other two boys might have had for the killing, she said no.

"I did not think having an affair was a motive to murder someone," she said.

But when the prosecutor asked Mrs. Smart why Mr. Flynn may have wanted to kill her husband, she said, "Because I guess he thought we could be together."

Soviets to Send to U.S. An Old-Line Diplomat

By Don Oberdorfer
Washington Post Service

WASHINGTON — Viktor G. Komplektov, a veteran diplomat with a conservative reputation, has been chosen as the Soviet Union's ambassador to the United States, according to U.S. officials.

The selection of Mr. Komplektov, 59, was made known to Secretary of State James A. Baker 3d during his visit to Moscow last week, officials said.

The United States gave formal approval Monday to the appointment.

Mr. Komplektov will succeed Alexander A. Bessmertnykh, 57, who was became foreign minister in January.

Like Mr. Bessmertnykh, Mr. Komplektov is considered an expert on the United States and speaks fluent English. But unlike his predecessor, Mr. Komplektov is *not considered a "new thinker" nor* a leading advocate of flexible policy toward the West.

Mr. Komplektov served in the Soviet Embassy in Washington early in his career, and from 1978 to 1982 was director of the U.S.A. Department of the Foreign Ministry in Moscow. He became a deputy foreign minister in 1982.

In 1983-85, he was the nominal superior of Mr. Bessmertnykh's, who at the time held Mr. Komplektov's old post as director of the U.S.A. Department.

However, Mr. Bessmertnykh's diplomatic career eclipsed Mr. Komplektov's after Eduard A. Shevardnadze was became foreign minister in mid-1985.

In the last few years, as a deputy foreign minister, Mr. Komplektov dealt with Washington largely on Central American issues.

U.S. diplomats who have dealt with Mr. Komplektov described him as a less outgoing personality than Mr. Bessmertnykh or his predecessors at the Soviet Embassy, Yuri V. Dubinin and Anatoli F. Dobrynin. He has "a reputation for being tough," a U.S. diplomat said.

A former U.S. diplomat said that *in the 1970s under* Andrei A. Gromyko, Mr. Komplektov "could be extremely cutting and sarcastic," but that under Mr. Shevardnadze in the 1980s he espoused a more flexible line.

What he really thinks is "a question mark," the diplomat said.

AMERICAN TOPICS

Lesson in Fax of Life For Bike Couriers

New York City's swift but accident-prone bicycle messengers are gradually disappearing, the victims of technological unemployment as more businesses turn to facsimile machines, The New York Times reports. Bicycle services mushroomed in the early 1980s, the riders weaving in and out of gridlocked traffic to speed important papers from one office to another. But now *the standard* "*I'll send it over* right away by messenger" has changed to "What's your fax number?"

The consensus of the authorities and some of the surviving services is that the ranks have thinned significantly from the days when there were thousands of messengers working for about 200 services with such whizbang names as Atomic, Fireball, Born to Run and Zoom.

Nobody knows how many bike messengers there were, but from 1981 to 1985, accidents involving bicycles rose 77 percent in the city. They then began to decrease steadily, city officials say.

In 1987, 25,982 traffic tickets were issued to cyclists, most of them messengers; 4,246 accidents were reported between bicycles and cars, and 510 pedestrians were hit by bicycles. By 1989, traffic tickets had declined to 19,533, bicycle-car accidents to 3,544 and pedestrians hit by bicycles to 327.

There will always be messengers. Not everyone has a fax number, and some messages are too bulky to be transmitted through telephone cables. But the halcyon days appear to be over.

Short Takes

President George Bush will veto any national energy bill that does not include his proposal to drill for oil in the Arctic National Wildlife Refuge in Alaska, Energy Secretary James D. Watkins said at a Senate hearing last week. Most environmentalists and many members of Congress oppose such drilling. Brooks Yeager, vice president of the National Audubon Society, said that going after the oil would "destroy one of the Earth's last great dynamic ecosystems." Proponents of drilling say that the oil flow from other fields on Alaska's North Slope already shows signs of slowing down.

A police dispatcher for the 911 emergency number in Monterey, California, did not send a squad car to an address after a neighbor reported a robbery in progress. Instead, the dispatcher telephoned the house and was told, apparently by one of the criminals, that the call had been a false alarm. A sexual assault occurred during the robbery. From now on, the police will go to the scene of every 911 call.

Prominent people often read a book's index first, looking for themselves. *William F. Buckley* Jr. was aware of this when he sent a copy of one of his books to his fellow author Norman Mailer. Mr. Buckley wrote, "Hi, Norman" next to the index entry for Mailer, Norman.

Downtown Santa Cruz, California, may lose its status as a federal historic district because the October 1989 earthquake destroyed 20 of its 36 historic buildings. "You have to have historic buildings to have a historic district," said Steade Craigo, deputy state historic preservation officer, "and over half of them are gone."

In an article sidelighting the current change of ownership at New York's Daily News, The New York Times recalls that the News once smuggled a miniature camera into Sing Sing prison to photograph the electrocution of Ruth Snyder, a convicted murderer. In those days the News's executive dining room used luncheon plates engraved with famous front pages, the article recalled, and "guests rearranging their vegetables often lost interest in lunch after uncovering the picture of Miss Snyder under the headline, 'Dead!' "

Arthur Higbee

With Gulf War Over, Fitzwater Tries to Shed a Burden

The Associated Press

WASHINGTON — The White House press secretary, Marlin Fitzwater, said Tuesday that the Gulf war added 35 pounds to his physique, and it shows.

"On Aug. 3, I made a strategic decision I cannot worry about my body and the war both," Mr. Fitzwater said, as he downed a chocolate-looking liquid.

"One had to take priority and I chose the Gulf."

He and Andrew Card, deputy chief of staff at the White House, began their liquid diet on Monday.

They plan to continue for 25 days "to see how far we can get." The diet calls for a glass of the stuff at breakfast and lunch and a light dinner of solid food.

Mr. Fitzwater lost 45 pounds (20 kilograms) in two months in late 1989.

His weight, down to 190 pounds at the end of that time, is now 228 pounds, he said, and he hopes to go down to 200 pounds.

The U.S. budget director, Richard G. Darman, was in Mr. Fitzwater's office Tuesday morning to see him down the glass of liquid, and to invite him to breakfast in the White House mess.

Mr. Fitzwater resisted.

How did the drink taste, he was asked? "Great," he said.

STAGE/ENTERTAINMENT

PARIS FASHION

Moore/Thomas

Ungaro's crocodile jacket and plaid skirt, and de la Renta's embroidered jacket.

Oscar's O.K. Paris Debut

By Suzy Menkes
International Herald Tribune

PARIS — A gulf as wide as the Atlantic divided the audience reaction to Oscar de la Renta's Paris debut, which received an ovation Tuesday.

"I loved every one of them," breathed Lady Dudley, lined up with a posse of American socialites who have been following the designer around the Paris party circuit.

"Certainly not for the French woman," said Paloma Picasso.

"Er, um . . . I quite liked the tartan," said Inès de la Fressange.

"Ravishing, perfect," said the Princesse de Polignac. "But nothing like French couture, more Italian perhaps?"

If parties count in the fashion score, the high-profile American designer has taken Paris by storm, feted by everyone from the U. S. ambassador to Yves Saint Laurent.

The show was done with the designer's usual elegance and opulence, as well as he knows how, with a snappy opening of djellabah coats in double-faced wool — part of a Moroccan-exotic theme that recurred as floppy pajama pantsuits in fancy fabrics that some hostesses like to wear at home.

There were also velvet-bodiced floor-sweeping taffeta evening gowns in bronzes and golds that the trade calls "Romeo Gigli colors" and more embroideries than we have seen on the rest of the Paris runways altogether this season. The most striking were brief paisley jeweled skirts worn with sweaters slung over the shoulders.

A lot of the clothes were pretty nice: coats in sunny patchworks of color, brightly clashing knits. Christian Lacroix, in the audience, must particularly have noted the brocade suits, jeweled buttons, jet embroidered jackets, fringed skirts and the bright mixes of checks. Giancarlo Giametti would have recognized the homage to Valentino's bell-shaped coat dress.

It was a perfectly respectable Paris debut. But reaching the top of fashion's Eiffel Tower requires a cutting edge of creativity that Oscar de la Renta does not have. But he does have a fragrance. It came out as a giant bottle carried by a caftan-clad model to climax the show. May he only sell more of it.

Emanuel Ungaro has had a chance to play around with long skirts since he first lowered his hemlines in his January couture show. They looked much better in the current ready-to-wear climate — even if we know that his heart is in the short and sassy.

"No, No!," he said after the show. "My heart is everwhere. Fashion today is about options and freedom."

The first 10 minutes showed long skirts. They were fun when fullish and folkloric, and alright when cut slim in bright plaids and unbuttoned high. But long columns of jersey looked dreary. They were all shown with thick hose and flat shoes as a sporty look.

Ungaro is a great mixer and shaker when it comes to pattern and print. Even though we have seen before his seed catalogues of flowers and merry plaids, they were well paced this season with plain, even sober, soft shades like old rose and taupe.

For dressy daywear and evening clothes, the long hemlines moved upward, but the fabrics continued to clash or sparkle: velvet vests studded with jewels over slinky, silken dresses; or a trio of trench coats gleaming in satin. Dresses came draped (but not clinging) with jackets or dramatic tartan shawls. They were a fresher look than the regular suits in bright brocades. Hose remained thick and heavy, but with a high shine like dance wear.

There were no long skirts at all at night, but hemlines were not so short. It suddenly dawned that Ungaro had worked a cunning trick with his opening styles to adjust our eyes to a different kind of short length: a little above the knee. There the matter (and most women's wardrobes) rests.

Yet there is now a feeling — for the first time in five years — that there is such a thing as *too short*. We saw it at the Balmain show, although Alistair Blair's second collection for the house was much stronger than his debut and had some pretty, if unremarkable, clothes. Apart from one very long skirt (just above the ankle) cleverly proportioned with a long, graphic, black and white jacket, hemlines on both skirts and dresses overlapped the thighs like the petals of a flower that should have been left to grow.

The daywear in strong primary colors had a youthful glamour and so did cocktail dresses in whispers of black chiffon or chantilly lace as soft as lingerie.

Peter O'Brien, the Irish-born designer for Rochas, is at home with long hemlines, and his simple hostess dresses or iridescent crystal pleated skirts (ankle or thigh length) worn with soft, cloud-gray sweaters, had a certain charm. This line of well-crafted classy clothes is what the French used to call a boutique collection, before that word was hijacked by kooky designers in the swinging '60s.

Thoroughly Modern Gangsters

By David Mills
Washington Post Service

WASHINGTON — "New Jack City," you can almost smell the money it's going to make. It's got a hot actor (Wesley Snipes), a hot rap star (Ice-T), a violent gangster story line (which sparked disturbances in several cities when it opened), a funky soundtrack, a strong advertising push by the studio (Warner Bros.) and above all a slick look, a polish, of which first-time director Mario Van Peebles is way, way proud.

Ask him whether a box office bonanza for this tale of a crack dealer's rise and fall could trigger a whole new batch of black crime films — even a replay of the mid-1970s "black exploitation" era — and Van Peebles smiles and declares: "If you're going to make a sci-fi movie, you've got to follow 'Star Wars.' You can't just get out there with some little ray guns like they used to do. And if you're going to follow 'New Jack,' you'd better know what you're doing. I wouldn't want to be a little funky stupid gangster movie coming out after this movie, because once they've seen Paree, they can't go back."

Van Peebles knows he has something here. Before "New Jack City" opened, he had seen it four times with test audiences. He boasts that Warner Bros. executives couldn't believe the enthusiastic response of young viewers, white as well as black. "So they made us go through some rigorous testing," he says, the smile on again.

Twenty years ago Mario's father, Melvin Van Peebles, rocked the film world with an angry, subversive little picture called "Sweet Sweetback's Baadasssss Song," which he wrote, produced, directed, scored and starred in. The story of a black man who kills two racist cops and flees to Mexico, "Sweetback" is a monument of the black independent film movement, and has influenced such current filmmakers as Spike Lee and Warrington Hudlin.

"Sweetback" also happened to feature an early screen performance by Mario Van Peebles, then about 13 years old. In an opening scene that can still shock a jaded eye, Mario as young Sweetback is seduced by a grown woman.

Van Peebles now says it was no big deal. "I had been acting since I was 11. And the hardest thing I had to do as an actor at 11 was a whole nervous breakdown thing in a play called 'A Thousand Clowns.' So I had already done things as an actor that were more strenuous or more difficult for me than that."

Van Peebles' exquisitely sculpted face earned him work as a fashion model in New York during the early '80s. The face plus a commanding charm led to a fairly busy Hollywood acting career ("The Cotton Club," "Jaws: The Revenge," "Rappin'," "Heartbreak Ridge"), culminating with his 1988 television series "Sonny Spoon," in which Van Peebles played a jiving private eye with a thing for disguises. (NBC ad line: "He's a scam. He's a sham. He's a flim-flam man.")

In the pantheon of black screen images, Sonny Spoon is about as far from Sweetback as you can get. But Van Peebles got a lot out of his relationship with the show's maker, Stephen J. Cannell Productions. He was given the chance to direct, first an episode of "Sonny Spoon," then episodes of Cannell's "21 Jump Street" and "Wiseguy."

So now he's a director. "If I get hit by a car tomorrow," he says, "I'm a director." And that's an important thing."

In "New Jack City," Wesley Snipes's Nino Brown is pitted against a hard-edged street cop played by Ice-T, a bold example of casting against type. Ice-T, a former hoodlum, helped to popularize the violent, profane "gangsta" style of rapping.

"All those kids come in the theater and they usually roll with the gangsters, definitely," Van Peebles says. "When they see 'Scarface,' they roll with Scarface, they roll with Al Pacino. But when they see 'New Jack City,' they roll with Ice-T. We tested it, and the numbers for Ice-T were huge. No actor we could have put in that role would have delivered what Ice-T delivered.

"I'd have loved to play that role. Mario the director could have said to Mario the actor, 'Hey, you can get a lot of close-ups and a whole lot of money if you play this role.' But I thought, 'Would I read as authentic on the street as Ice-T would?'"

Still, some adults who have seen "New Jack City" tell Van Peebles that "they're kind of worried, because here you have such an articulate villain who's such a fine actor." Snipes indeed is a dynamic screen presence, wielding his walking stick and his pistol with relish. (As the star of Spike Lee's upcoming "Jungle Fever," Snipes is also a hot property in Hollywood.)

At the same time, Van Peebles says he was careful not to make "sort of the 'Reefer Madness' of the '90s. If I make a nice little movie that sits on the coffee table and says, 'Just Say No,' man, the homeboys go, 'Yo yo yo, I ain't with that. This is weak, it's soft.' If it's not legit, they exit."

Such are the complexities of the modern gangster flick, especially the modern black gangster flick. Already, there is a peculiar relationship between young black moviegoers and big-screen crime stories. "King of New York," starring Christopher Walken as a coldblooded drug lord (with a black gang), has spent the last few months in one Washington theater based solely on word of mouth in the black community.

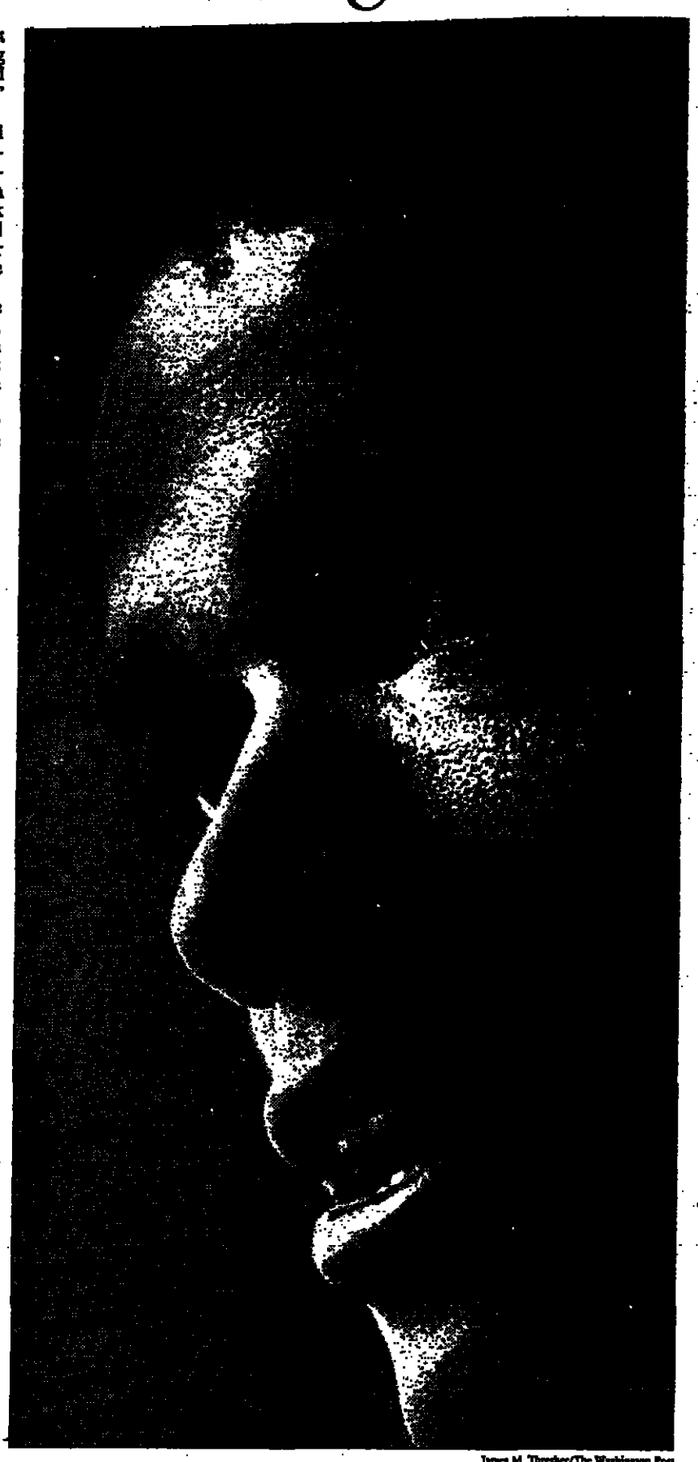
"New Jack City" is the first of a number of new films by black directors who are being supported as never before by major studios and well-heeled independent distributors. It's the crest of a wave that began in 1987 with Spike Lee's "She's Gotta Have It." Coming up are Robert Townsend's "Five Heartbeats," Bill Duke's "A Rage in Harlem," John Singleton's "Boyz N the Hood," Charles Lane's "True Identity" and Topper Carew's "Talking Dirty After Dark."

WHILE Van Peebles stresses that he is a "director, period," not just a black director — "otherwise, you're just waiting for the trend" — he does recognize his movie's place on a fragile continuum. "My dad did 'Sweetback,' that made a lot of money, and then 'Superfly' and those movies came out, and they made money. But slowly the movies got worse and worse, and they didn't make money anymore," he says. "So folks said, 'Black movies don't make money.' They didn't just say, 'Bad movies don't make money.'

"I'm not sure what they'll say about this next wave of movies. But I thought that it was important that this movie, coming at this point, do economically well, or have the potential to do that. The Hudlin movie ['House Party'] doing well was great for us, Spike's movie doing well was great for us. And my movie doing well will be good for Bill Duke and good for Townsend."

"If you want to get in that big game," Van Peebles says, "when you're talking [a budget of] over $8 million" — for "New Jack City" it was $8.5 million — "you've got to be in the studio game. But say Mario Van Peebles directs 'New Jack' and it does O. K. Say he gets invited back to the table and does another picture. That does O. K. Well, now he's got some notoriety — foreign — as a director, see? So now you can go get some funding from the Japanese or whoever, then you can break off and do whatever you want to do.

"But first, you want to say, 'I can get in here with these other cats and play in the big leagues.'"



James M. Thresher/The Washington Post

Mario Van Peebles: "If I get hit by a car tomorrow, I'm a director."

A 'Lulu' With All the Drama Taken Out

By Sheridan Morley
International Herald Tribune

LONDON — On the Islington fringe, the Almeida Theatre's fast-won reputation as the most fashionably European and sensual of stages has taken something of a battering with Ian McDiarmid's new production of Frank Wedekind's "Lulu" plays.

Admittedly these have always been something of a problem, lacking as they do a Kurt Weill score or a Max Ophuls screenplay that might have made complete sense of their fragmented expressionism. At their center is Lulu herself, played by Joanne Whalley-Kilmer as if in television close-up rather than at the center of a sprawling theatrical epic badly in need of more energy than it gets from any of the cast.

As we follow Lulu through turn-of-the-century murder and mayhem to her own bloody death at the hands of Jack the Ripper (a melodramatic climax so underplayed on the first night that several members of the audience missed the identity of the Ripper altogether), it becomes clear that these plays only really work in a heavily stylized or cartooned convention. When played as they are here, as straight romantic drama, they are apt to seem ludicrously caught up in their own hothouse convention of scandalous amorality and impossibly dated for a world that is no longer shocked by the very notion of celebratory sex.

A strong cast of character players all seem to be reining themselves in to suit Whalley-Kilmer's very low-keyed intimacy, and as a result we are nowhere treated to the "horror tragedy" that Wedekind asked for.

It is arguable that a great deal of French and German Expressionist cinema started here, not to mention the career of Louise Brooks, in G. W. Pabst's 1928 silent film, but the "Lulu" plays themselves — comprising "Pandora's Box" and "Earth Spirit" — now seem hopelessly repetitive and fragile, in need of precisely the flamboyant, operatic staging that McDiarmid is at constantly realist pains to avoid.

Somewhat surprisingly, since this is not exactly the holiday season, the National Theatre appears to have discovered a new role as the London center for children's entertainment.

While "The Wind in the Willows" continues in Alan Bennett's adaptation to be the hottest ticket on the open Olivier stage, to the smaller Cottesloe now comes Alan Ayckbourn's "Invisible Friends," a sketchy little piece designed for young teenagers and bearing the somewhat dispiriting message that however awful your parents may be, it is still unwise to try to swap them for others who will only prove worse.

Tired of her couch-potato father, bossy mother and semi-detached brother, little Lucy (Emma Chambers) manages to expel them to another universe, whereupon her home is invaded by three white-suited perfectionists from space who soon make her feel wholly inadequate in every domestic and social sphere. And that, in 90 minutes plus intermission is all there is to it.

As director of his own play, Ayckbourn does manage to have the bedroom furniture fly about a bit in vintage Disney fashion, but something seems to have gone desperately wrong with the scheduling here.

Seen at a Christmas matinee, "Invisible Friends" might just about get by on charm and seasonal goodwill. Across a whole evening in March it looks decidedly odd, like a leftover tree decoration that somebody has forgotten to put back in its box for next winter. Chambers and her supporting cast of six do what little they can with some very thin characterization, but the territory has already been crossed by Ayckbourn in "Woman in Mind," of which this is a very junior and hand-me-down edition.

The 1984 murder in Shropshire of an elderly rose-grower called Hilda Murrell remains one of the most intriguingly unsolved crimes of recent years, not least because of the strong suggestion that the victim lost her life because she knew too much about the sinking of the Belgrano during the Falklands War. She was an avowed anti-nuclear campaigner, had a nephew serving in the Falklands, and a home ransacked by special investigators.

But at the end of Judith Cook's "Unlawful Killing" (at the Theatre Royal Stratford East) we have still learned no more about the truth of the murder than could be gained by a quick flip through newspaper clippings of the time.

This is therefore a murder mystery without resolution, and since no killer was ever brought to trial, we are even denied the courtroom scenes that can traditionally save an otherwise rather dull recap of known events.

Cook makes a plausible case for death at the hands of inefficient security investigators, but her drama-documentary never quite grows up into a play, despite Anita Wright's endearing performance as the old lady with the roses.

Halabja Chemical Holocaust Memorial Foundation Design Competition

Due to the critical situation in the Middle East and because most air cargo companies have cancelled their flights to the region and participants have experienced difficulties in shipping their entries, the closing date for the international contest to design a monument in memory of Halabja Chemical Holocaust, has been extended to August 30th 1991.

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ACROSS
1 Beatles film
5 Play for time
10 Kind of chamber
14 Brainchild
15 Port in Crete
16 Department in a hospital
17 Make a call
18 At right angles to a ship's keel
19 Part of a mansard
20 Champ's epithet: 1937-49
23 One with ESP
24 Egyptian cobra
25 Took away, with "off"
28 Kind of baby
33 Eastern V.I.P.
34 Star of "48 HRS."
35 Cluster of seals
36 Marvelous Marvin's successor
40 "—— was saying . . ."
41 Actor Warren ——: 1928-82
42 Resort in Sicily
43 Embarrassed
45 Open spaces in sylvan places
47 German theologian: 1486-1543
48 S. African of Huguenot descent
49 Words from the champ of champs
56 Everly Brothers offering
57 ". . . and —— a good-night"
58 Actor Tamiroff
60 U.S.S.R. city
61 Zhou of China
62 Since, in Ayr
63 Superior, e.g.
64 Author of "A Victorian Village"
65 River duck

DOWN
1 Secreted
2 Use a blue pencil
3 One of Jacob's wives
4 Gymnasium for Spartan wrestlers
5 In a panic
6 Small drum
7 Once more
8 Spare
9 Attack verbally
10 Released from
11 Sourpuss
12 Eat
13 —— and terminer
21 Bonnet dweller?
22 Bone: Comb. form
25 Actor Romero
26 Divert
27 Unbending
28 Trifled
29 Wings
30 —— -coming (showing promise)
31 Carried
32 Icelandic literary works
34 Odomes of the Buffalo Bills
37 Household pest, for short
38 Tennis player
39 Global area in the news
44 State of fitness
45 Lacrosse player
46 Rent
48 Namesakes of Benjamin's first son
49 Pop singer Billy ——
50 Nimbus
51 Docile; gentle
52 Used up
53 Respiratory sound
54 Scottish isle
55 Singer Turner
59 Blanc or Brooks

Solution to Previous Puzzle

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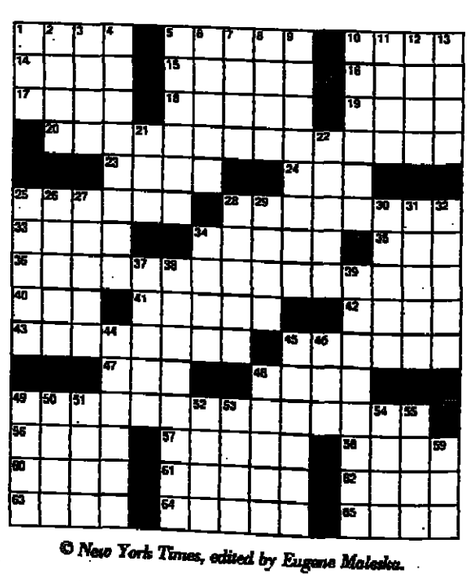

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ممكن من الاصل

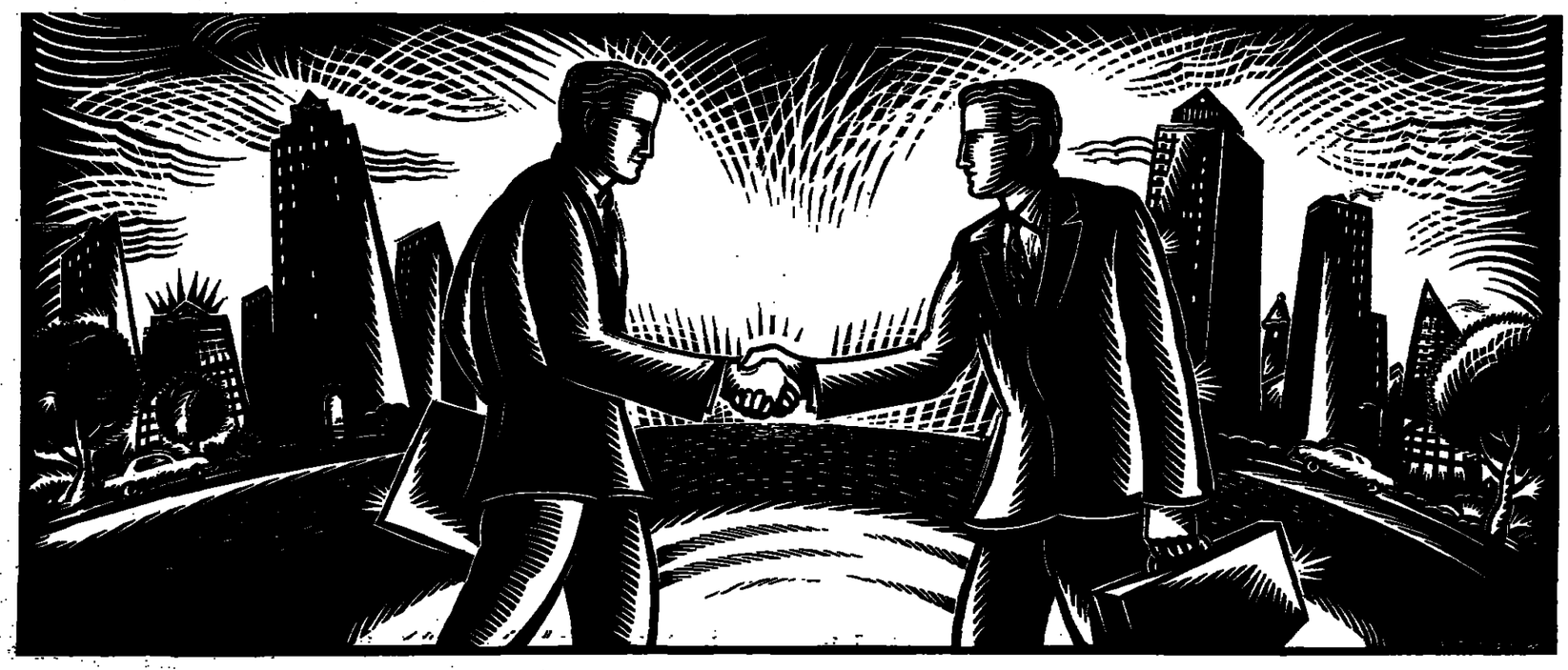
صكنا من الاجل

angsters

Taken Out

There's A Reason You've Never Heard The Expression: "Let's Fax On It."

THE FAX MACHINE IS CERTAINLY A BOON TO BUSINESS. BUT THERE ARE TIMES WHEN THERE'S JUST NO SUBSTITUTE FOR BEING THERE. THAT'S



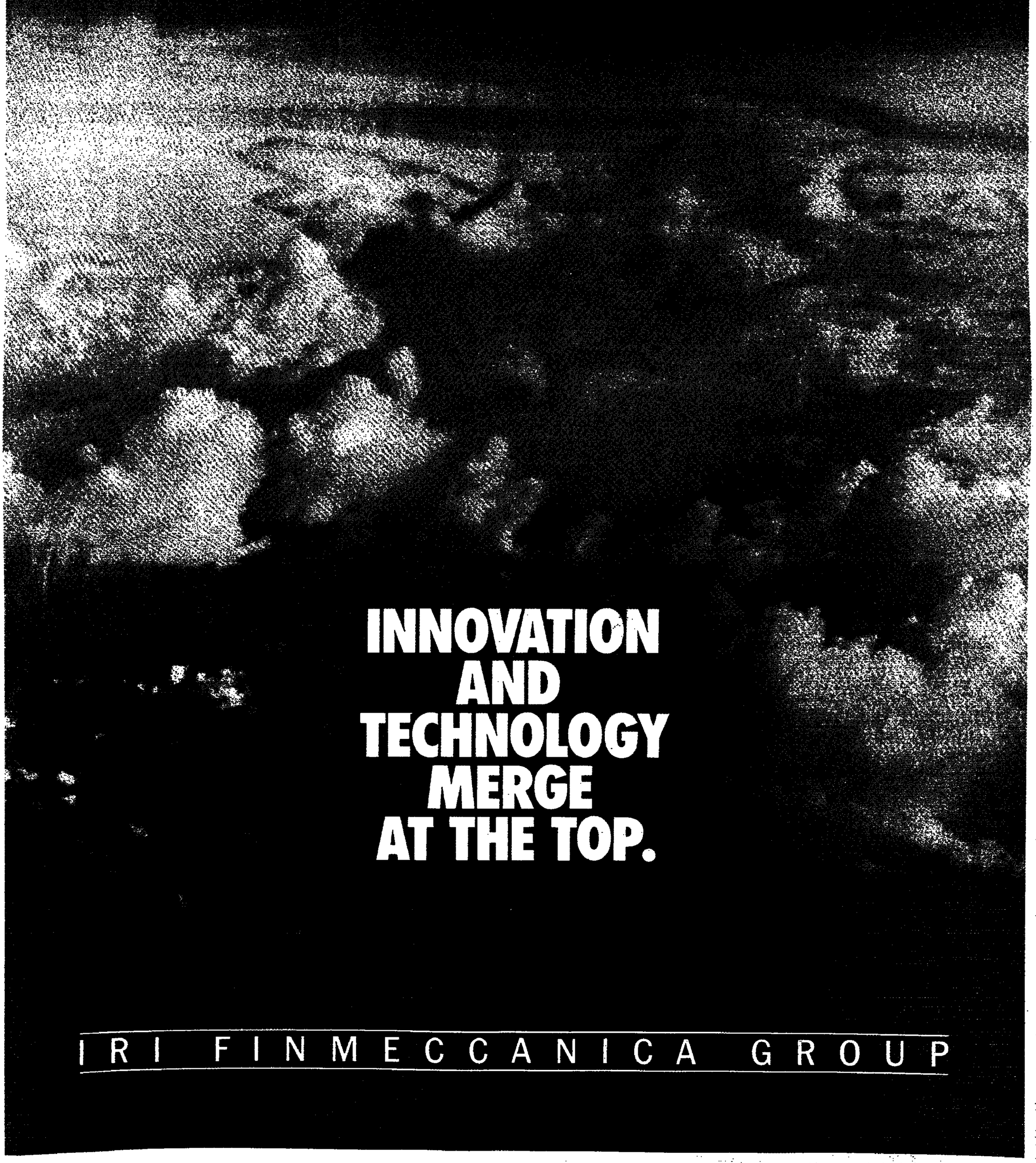
because there's a lot more to business than business machines. ◆◆ It's important to see the look in the eye as well as the words on the page. To interpret tone of voice as well as confirm facts and data. To discover subtle shades of thought and meaning that unfold during private, unhurried conversation. ◆◆ The value of doing business one-on-one increases with both time and distance. You just can't fax, phone or video-conference the warmth of a handshake in America. Or the dignity of a deep, formal bow in Japan. Or the trust and camaraderie of an embrace in Europe. ◆◆ Direct, human contact. It's the way business has been done since business began. It's something people everywhere understand and appreciate. Simply put, in this high-tech world, high-touch is more important than ever before.

SOMETIMES THERE'S NO SUBSTITUTE FOR BEING THERE.

BOEING

ALENIA

AERITALIA & SELENIA



INNOVATION AND TECHNOLOGY MERGE AT THE TOP.

IRI FINMECCANICA GROUP

صبكذا من الاجل

MEDIA MARKETS

U.K. Soap Opera Pushes Taster's Choice on U.S. TV

By Michael Lev
New York Times Service

NEW YORK — Is there a future together for Tony, the dashing man about town, and Sharon, his sophisticated neighbor, who share a taste for Taster's Choice freeze-dried coffee? True, sparks fly between the two stars of the unusual advertising campaign created by McCann-Erickson — but what about the other woman Tony is seeing? Is it serious? And how will all this affect coffee sales?

Taking its cue from both soap operas and soap commercials, the campaign, an adaptation of commercials McCann created in Britain for another Nestlé brand of coffee, turns consumer-product advertising into 45-second episodes of "The Bold and the Beautiful."

The campaign, to be serialized in eight commercials, tells how "the sophisticated taste" of Taster's Choice fans the flames of romance between two elegant urbanites.

In eight 45-second episodes, freeze-dried coffee fans the flames of romance.

In the first episode, Sharon, wearing a cocktail dress and a concerned expression, knocks on Tony's door, introduces herself and borrows Taster's Choice for her dinner party in progress. The talk is of Taster's Choice being the coffee for discriminating people, but the flirtatious smiles and arched eyebrows suggest little about coffee and much about the possibility of a torrid relationship.

In the second episode, Sharon returns the coffee, but Tony cannot invite her in because he is entertaining another woman. "Look, I'm busy right now, but perhaps . . .," he says awkwardly, hoping to keep future options open.

"Perhaps," she responds, with a bold smile.

To find out what happens next, viewers will have to wait till fall, when the third installment is planned.

Serialized entertainment, the mainstay of commercial television, is a rarity in advertising because advertisers are reluctant to make that type of long-term commitment.

"A lot of people are scared of the technique," said Robert Black, a commercial director and former Foote, Cone executive.

HE ADDED, "You have to involve the audience in a very positive way. You have to entertain them as well as get across your product message."

Irwin Warren, the McCann-Erickson executive in charge of the campaign, was mum about what would happen in the third installment, but he offered a clue. "I doubt if they'll get together," he said. "If they do, it's over. One or the other has to be elusive. There always has to be that question: do they?"

● ● ●

Virgin Atlantic Airways plans to step up its battle with airline goliaths like British Airways in its first national ad campaign in the United States, Kim Foltz of The New York Times reported. The campaign will begin Friday.

The tiny British airline, which began flights between the United States and London six years ago, *hopes to capitalize on its* recently increased access to American cities, a right it gained as a result of an agreement by the two countries over landing rights at Heathrow Airport in London.

One commercial in the unusual campaign, created by Korey, Kay & Partners, begins with an executive boasting about the service on Virgin. "They sent a chauffeured limo right to my door," he says. As the man continues to brag, the camera pulls back to show two hospital attendants in white coats escorting him to a padded cell. The announcer tells viewers, "Unfortunately, no one believes the extraordinary things you get on Virgin Atlantic's business class to London."

David M. Tait, an executive vice president at Virgin, said, "We have to quickly become better known because travelers don't feel comfortable flying with an airline that's not familiar to them." He

See ADS, Page 11

CURRENCY RATES

Cross Rates

March 19

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.855	3.293	1.1272	0.3308	0.1511 *	—	5.4885 *	1.2945	1.345 *	1.6055	1.8115 *
Brussels	33.51	60.24	20.616	6.05	2.7426 *	18.289	—	23.90	0.244	29.01	33.170 *
Frankfurt	1.6470	2.92	—	0.2936	0.1341 *	0.8872	4.852 *	1.1586	1.2225 *	1.4222	1.608 *
London (a)	1.773	—	2.9252	9.9804	2,178.50	3.2863	60.14	2.5282	244.435	2.0498	181.55
Madrid						Closed					
Milan	1,229.35	2,179.60	746.25	219.86	—	662.80	36.197	856.72	8.851	1,054.80	11.976
New York (b)	—	1.7885 a	1.6442	5.6015	1,228.60	1.855	33.90	1.459	137.90	1.1554	102.30
Paris	5.5485	9.95	3.4063	—	0.4565 *	3.0219	0.1653	3.9513	4.05 *	4.834	5.405 *
Tokyo	138.40	245.15	84.99	24.95	0.114	75.40	4.1252	98.27	—	119.86	1.367
Toronto	1.155	2.0547	0.7017	0.206	0.941 *	0.6227	3.399 *	0.804	0.8379 *	—	1.137 *
Zurich	1.4325	2.5218	0.8616	0.2539	0.1155 *	0.7642	4.1184 *	—	1.0355 *	1.2383	1.3878 *
1 ECU	1.2588	0.7013	2.0514	6.9852	1,530.33	2.3025	42.2803	1.7652	173.021	1.4522	127.752
1 SDR	1.3755	0.7618	2.2253	N.Q.	1,463.40	2.5387	N.Q.	1.9236	190.271	1.5863	N.Q.

Closings in Amsterdam, London and Zurich, fixings in other centers. New York closing rates, and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9450.0	Greek drac.	177.15	Mex. peso	2981.01	S. Afr. rand	2.69
Austral. $	1.2829	Hong Kong $	7.7905	N. Zealand $	1.6863	Soviet ruble*	0.5749
Austr. schil.	11.45	Indian rupee	19.267	Norw. krone	6.345	Swed. krona	5.955
Brazil cruz.	231.45	Indo. rupiah	1915.01	Phil. peso	27.72	Taiwan $	27.27
Chinese yuan*	5.2221	Irish £	0.6133	Port. escudo	142.30	Thai baht	25.47
Danish krone	6.345	Israeli shek.	2.1521	Saudi riyal	3.7503	Turkish lira	3474.01
Egypt. pound	3.1715	Kuwaiti dinar	n.a.	Sing. $	1.7625	UAE dirham	3.6727
Fin. markka	3.90	Malay. ring.	2.741	S. Kor. won	725.90	Venez. boliv.	53.93

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7723	1.7645	1.7566	Canadian dollar	1.1586	1.1616	1.1644
Deutsche mark	1.6450	1.6489	1.6528	Japanese yen	138.25	138.42	138.63
Swiss franc	1.4150	1.4178	1.4199				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

March 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	6 ⅝-6 ¾	9 ¼-9 ⅜	8 ⅞-8 ⅝	12½-12⅝	9¼-9 ⅞	8½-8⅝	9 ⅝-9 ⅞	8
2 months	6 ⅞-6 ⅞	9⅛-9¼	8⅝-8⅞	12½-12⅝	9 ⅜-9½	8⅜-8⅛	9 ⅜-9 ⅞	8
3 months	6 ⅞-6 ⅞	9 ⅛-9 ⅛	8⅝-8⅞	12¼-12¾	9 ⅜-9½	8⅛-8¼	9 ⅝-9 ⅞	8
6 months	6 ⅞-6 ⅞	9 ⅛-9 ⅛	8 ⅛-8 ⅛	11 ⅝-11 ⅝	9⅞-9 ⅞	7⅝-7⅞	9⅜-9½	7 ⅞
1 year	7-7⅛	9 ⅛-9 ⅛	8-8⅛	11⅝-11½	9⅛-9 ⅛	7⅝-7½	9⅜-9½	8

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

March 18

United States	Close	Prev.
Discount rate	6.00	6.00
Prime rate	8¾/9	8¾/9
Federal funds	6⅛	5 15/16
Com paper 90-179 days	6.15	6.20
3-month Treasury bills	5.89	5.82
6-month Treasury bills	5.94	5.83
1-year Treasury bills	6.07	5.95
30-year Treasury bond	8.41	8.32
2-month CD's	6.00	6.00
3-month CD's	6.00	6.00
Japan		
Discount rate	6.00	6.00
Call money	8 7/32	8 7/32
2-month interbank	8⅛	8⅛
3-month interbank	8 1/32	8.00
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8.90	8.80
1-month interbank	8.95	8.95
3-month interbank	9.00	9.00
6-month interbank	9.30	9.10
Britain		
Bank base rate	13.00	13.00
Call money	14¼	14⅛
3-month interbank	12 5/16	11⅞
6-month interbank	11⅞	11⅞
France		
Intervention rate	9.00	9.00
Call money	9 3/16	9 9/16
1-month interbank	9⅛	9 3/16
3-month interbank	9 5/16	9 3/16
6-month interbank	9⅜	9 5/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

March 19

1 month	6⅜ - 6½
2 months	6⅜ - 6½
3 months	6⅜ - 6½
6 months	6 ⅝ - 6 ⅞
1 year	6⅞ - 7

Source: Reuters.

U.S. Money Market Funds

March 19

Merrill Lynch Ready Assets 30-day average yield:	6.18
Telerate Interest Rate Index:	6.219

Source: Merrill Lynch, Telerate.

GOLD

March 19

	A.M.	P.M.	Ch'ge
Hong Kong	362.15	361.25	— 1.50
Luxembourg	362.00	—	— 1.05
Paris (12.5 kilo)	360.11	360.69	— 0.40
Zurich	361.75	365.00	+ 2.65
London	362.00	364.50	+ 2.20
New York	—	363.45	+ 0.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

U.K. Cuts Poll Tax In Budget

Sales Tax to Rise To Pay for Move

By Leigh Bruce
International Herald Tribune

LONDON — Chancellor of the Exchequer Norman Lamont stunned Britain on Tuesday by announcing a sharp reduction in the deeply unpopular poll tax and raising the standard rate of value-added taxation by 2.5 percent to pay for the change.

The move was unveiled during the chancellor's presentation of the 1991-92 budget to a packed session of Parliament, during which he announced that the government's finances would move into deficit this year for the first time since 1987, by £8 billion ($14.3 billion).

Nevertheless, analysts said Mr. Lamont's budget was relatively tight, pointing out that the overall package of changes in taxation will amount to virtually no net change in revenues. "It is a broadly neutral budget, and in that sense it is very much as expected," said Alan Budd, group economic adviser at Barclays Bank PLC.

He and others said Tuesday's changes would allow the government to continue gradual reductions in the country's interest rates. Combined with the dramatic announcement on the poll tax, the budget keeps open the chances of an early election in June, they said.

"This budget does not in any way change the date of the election," said Neil MacKinnon, chief economist of Yamaichi International Ltd. The government must face the voters in the next 15 months.

The poll tax, a flat-rate charge on every adult taxpayer, will be slashed by £140 a head, or by an average of between 36 percent and 54 percent depending on the area of residence. This will have the effect of shifting £4.25 billion from local to central taxation.

The cost will be met by increasing the standard rate of VAT from 15 percent to 17.5 percent.

The government has already announced that it would abolish the tax altogether as part of a broader

See TAX, Page 10

Affordable U.S. Homes: First-Time Buyer Is Back

By Richard D. Hylton
New York Times Service

NEW YORK — Lower interest rates and a backlog of unsold low-priced homes are making it possible for many first-time buyers to enter the U.S. housing market for the first time in years.

Their buying is adding to the small spurt in real estate activity that was detected first in the sluggish Northeast late in January and that has now spread across the United States. The influx of first-time buyers is also making it possible for some homeowners to sell and move up to bigger homes.

"We are seeing a resurgence of the first-time buyers in the market," said Pall Spera, head of Pall Spera Realtors in Stowe, Vermont, whose comments were echoed by brokers from Los Angeles to Miami.

Typical of the first-time buyers are Ketty and Jean Felix Day, who recently bought a three-bedroom, two-bath house in north Miami for $75,000. The couple, who got a 30-year fixed-rate mortgage at 9 percent, had been looking for about a year and a half.

The Days, who together earn about $43,000, said the key to their purchase was monthly mortgage payments of no more than $800. Six months ago, they said, the house would have cost at least $80,000, and interest rates were higher. As both came down, so did the mortgage cost; their monthly payment is $728.

While there are no specific measures of activity by first-time home buyers like the Days, real estate agents say such buyers have been out in force. Moreover, home sales have been strongest at the lower end of the market, typically the province of the new buyers.

First-time buyers have been among those most hurt by high housing prices because they have been unable to save enough money for a downpayment.

High interest rates compounded their problems, because even if they could raise the downpayment, they often were unable to make the monthly mortgage payments.

This picture has changed sharply in recent months. The Federal Deposit Insurance Corp. this month pronounced the current housing market the most affordable since 1977. The agency looks at affordability in terms of average family income, housing prices and mortgage rates.

Fixed-rate mortgages are now being offered at about 9.375 percent, while adjustable-rate mortgages are available at about 7.375 percent. Adjustable-rate mortgages are reset — usually annually — depending on other interest rates.

"I think the psychology of single- digit rates has very, very positive connotations," said Dick Ritchey, regional director and owner of Century 21's south Florida office in Miami.

The trend is welcome, though changing home ownership does not of itself reverse recession. That calls for new construction, with the creation of jobs and demand for lumber, steel, appliances and

See HOMES, Page 10

Housing Starts Gain 16.4%

The Associated Press

WASHINGTON — U.S. housing starts rose 16.4 percent in February, the government announced Tuesday, showing the first sign of life in that industry in three months and only the second advance in a year.

The Commerce Department said new construction of single and multifamily houses totaled a seasonally adjusted annual rate of 989,000.

Starts had fallen 12.5 percent to an 850,000 annual rate in January — the lowest level since January 1982, in the midst of the last recession.

The February gain was the first since a 10.1 percent advance in November, which itself had been the first increase since a 21.8 percent rise in January 1990.

Still, the number of February starts was down 32.2 percent from the same month last year. And for the first two months of 1991, they were 39.7 percent below the same period of 1990.

Some observers have noted anecdotal evidence that housing activity continued to improve in March.

For instance, the Federal Reserve said that a survey earlier this month showed that, while housing and commercial construction remained slow, eight of its 12 districts reported "an increase in buyer interest and, in some areas, purchases."

Some builders said they were cautiously optimistic about a recovery for the depressed housing industry this year because of the decline in mortgage rates. Fixed-rate mortgages averaged 9.50 percent last week, according to a survey by the Federal Home Loan Mortgage Corp.

In addition, the Labor Department said that the construction industry added 27,000 new jobs in February, the first increase in months.

The Commerce Department report Tuesday also offered a glimmer of hope. It said applications for building permits, often a barometer of future activity, rose 8.5 percent to 865,000 — the first increase in eight months and the steepest gain since a 22.8 percent advance in January 1990.

But analysts cautioned about reading too much into one month's activity.

"While the fundamentals are improving modestly for the housing industry, the February gain may have been triggered by abnormally mild weather," economists at Mitsubishi Bank in New York wrote in their weekly newsletter.

Mitsubishi's Weekly Economic Indicator Report said February was the third warmest February in the National Weather Service's 97 years of tracking temperatures and the eighth driest.

IBM Halves Profit Estimate For Quarter

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp. told industry analysts Tuesday that its first-quarter earnings would be half the average of analysts' estimates, news that sent its shares sharply lower.

IBM said its first-quarter earnings would probably be about half the current estimate of $1.80 a share. Analysts' estimates for the January-March quarter had ranged from $1.65 a share to $1.95 a share.

IBM made its announcement before the New York Stock Exchange opened for the day, and trading of IBM's shares was delayed after the exchange opened, as is normal when a company announces news that could have a major impact on its stock price or when there is an order imbalance.

After trading resumed at 11 A.M., the shares plunged $9.125 to $118.75 in active trading. The stock closed $12.75 lower, at $115.125.

IBM is a bellwether stock and a key component of the 30-stock Dow Jones industrial average, and the drop in its share price dragged the Dow down with it.

"The IBM news is going to be pretty horrible for the tech stocks that have had such a nice run-up," one trader said.

In the first quarter of 1990, IBM reported earnings of $1.81 a share, or $1.04 billion, on revenue of $14.19 billion.

IBM officials said the earnings drop at the world's biggest computer maker was due to the effects of the worldwide economic slowdown and the disruption caused by the Gulf war.

"It's hitting all of our product lines," said Peter Thonis, a spokesman for IBM.

Analysts had already anticipated a lackluster quarter because of economic conditions and a transition in IBM's mainframe computer line, but a company spokesman said the product transition was "not a factor."

IBM was also cautious about the second quarter, given expectations that the economy will remain weak until midyear.

John F. Akers, the chairman, said in a statement, "We remain confident about the strength of our product line, our relationships with customers and our continued focus on restructuring IBM's business to improve efficiencies.

"However, the ability to take advantage of these strengths in 1991 is contingent on how rapidly the worldwide economic environment improves."

IBM expects to release first-quarter results on April 12, Mr. Thonis said.

One industry analyst said he was surprised by the size of the reduction in IBM's estimate. "It's pretty much of a shock that it's so extreme," said Martin Ressinger of Duff & Phelps Inc. of Chicago.

Mr. Ressinger said he was surprised by IBM's candor. "Usually they're not telling you that much," he said.

Although the first quarter is almost over, IBM made its disclosure sooner than is traditional for companies that expect earnings to be below estimates, he said. Most wait until the quarter has ended and they have had a chance to examine the final figures. *(Reuters, AP)*

■ Software Alliance

IBM said Tuesday that it had formed alliances with five software development companies to help advance the use of multimedia computer technology, Reuters reported from San Jose, California.

IBM also said it was expanding support programs for software developers and dealers promoting multimedia, a technology that incorporates sound and video into personal computing.

Japan's Economy Slows But Economists Cheer

By James Sterngold
New York Times Service

TOKYO — The government confirmed Tuesday economists' forecasts that the Japanese economy slowed to a crawl in the fourth quarter of 1990, under the strain of high interest rates and the crisis in the Gulf.

But analysts found a far-from-gloomy message in the much-anticipated-figures. The surprise, they said, was that a powerful surge in exports was helping sustain what may prove to be Japan's longest postwar economic boom, a trend that is likely to cause a sharp increase in Japan's politically sensitive trade surplus.

According to the Economic Planning Agency, the economy grew at a 2.1 percent annualized rate in the September-December period. Although strong compared with the recessionary lull in the United States, that looked anemic when compared to the 4.1 percent annualized growth rate in the third quarter and the overall expansion of 5.6 percent in 1990.

Few economists were as sanguine as Shinyasu Hoshino, vice minister of the Economic Planning Agency, who said the economy was hitting "cruising speed." But several said the figures suggested somewhat greater flexibility in the economy than expected in tough times.

The Bank of Japan more than doubled interest rates over the past two years to cool overheated stock and property markets.

There has been a guessing game under way much of this year over when the Bank of Japan might start to reduce finally the official discount rate; the economy's resilience left the issue just as uncertain as before, several economists said.

In the patchwork of figures released Tuesday, two stood out: while domestic demand declined 0.1 percent from the previous quarter, as Japanese consumers pulled back in the face of uncertainty, external demand, mainly exports, jumped a healthy 0.6 percent from the third quarter.

"We were not expecting that strong a stimulus from exports," said Paul A. Summerville, economist at Jardine Fleming Securities, who noted that domestic demand had been the engine of growth in recent years as Japan sought to ease trade tensions with the United States.

"This is good for the economy all in all, but it means the trade tensions could get worse," he added.

The domestic sector of the economy showed pronounced weakness, in contrast to the external sector.

Personal consumption tumbled 0.3 percent from the third quarter, according to the figures. Housing in particular posted a big decline, largely a product of high interest rates.

One facet of the domestic sector was robust — capital spending by corporations. Investment in plant and equipment continued to expand at a double-digit annualized rate during the fourth quarter of last year.

U.S. Plan Would Allow Fed to Lend to FDIC

New York Times Service

WASHINGTON — In an effort to keep the federal deposit insurance program afloat, the Bush administration will propose that bank regulators be able to increase the amount they can borrow by $25 billion, according to government officials.

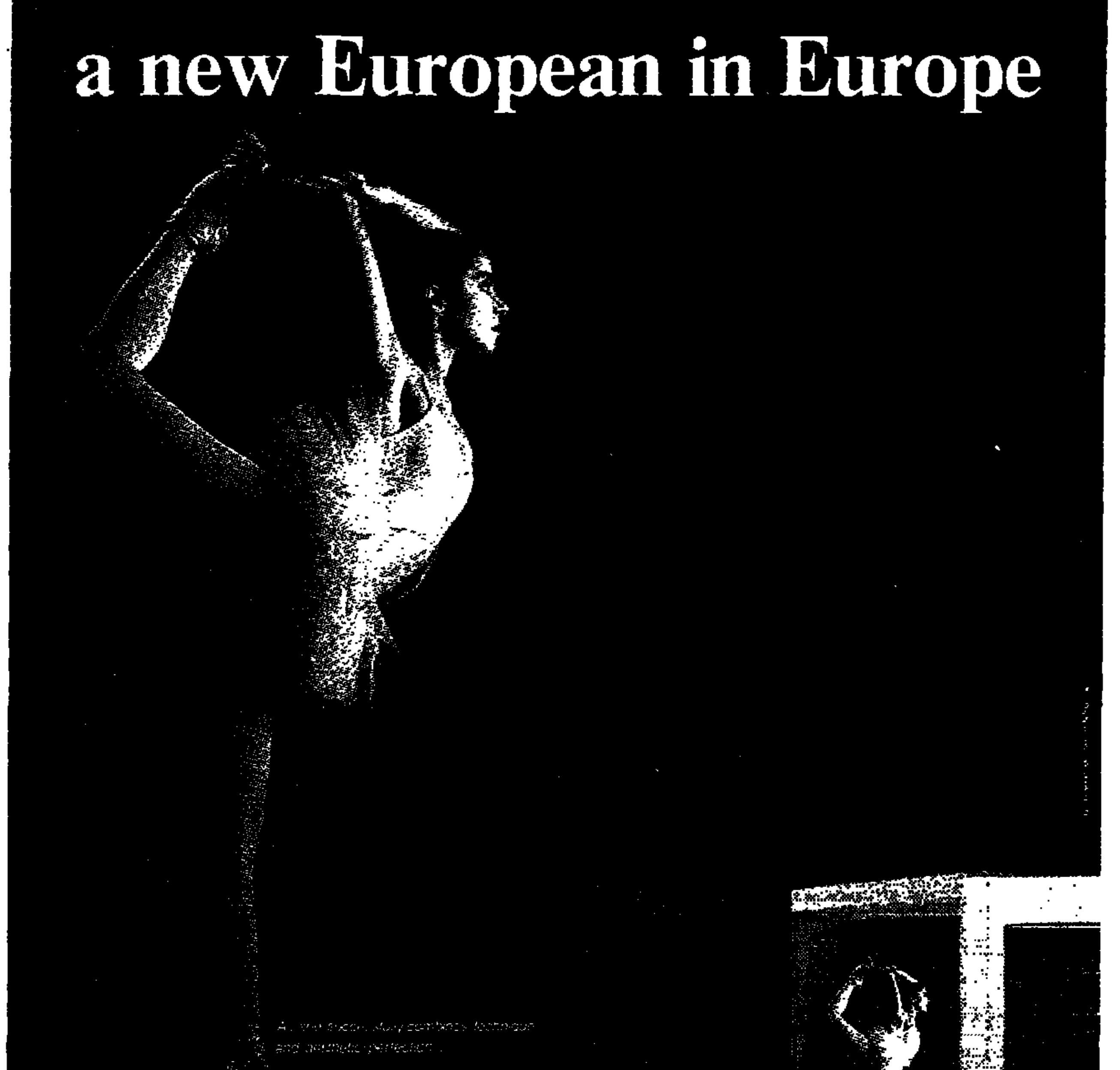
Under the proposal, which will be sent to Congress this week, the Federal Deposit Insurance Corp. would be given the authority to borrow $25 billion from the Federal Reserve, the U.S. central bank, on top of the $5 billion it can now borrow from the Treasury. Any money borrowed, along with interest, would be repaid through higher bank contributions to the insurance fund.

Administration officials said they had decided to take this approach instead of relying on the Treasury for further lending to avoid even the appearance of using taxpayer funds.

The increased borrowing authority would be used to rescue the depositors at insolvent banks as well as to give additional help to ailing but solvent institutions under a current program known as "open assistance."

In recent weeks, regulators and the administration have been considering ways to enlarge the program, particularly in New England, which has been hit hard by the recession. But critics have said that providing cash to solvent banks props up unhealthy institutions and that increasing the program provides opportunities for political manipulation.

The insurance fund's precarious financial condition and the growing crisis in the U.S. banking industry have raised concerns about a replay of the bailout of the savings and loan fund, which is expected to cost taxpayers hundreds of billions of dollars.



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Koç

MARKET DIARY

STOCKS: *Inflation Data Hit Dow*

(Continued from page 1)

ury bond fell 30/32 of a point, pushing its yield to 8.42 percent from 8.33 percent in trading following the inflation news.

The dollar got a boost from the numbers, as investors bet that investments in the U.S. currency would pay higher returns if interest rates were not cut.

The dollar surged as high as 1.67 Deutsche marks before falling back to close at 1.6442 DM.

"People are nervous about where inflation is going," said Steven A. Wood, an economist at BankAmerica Capital Markets in San Francisco. "We're presumably in a recession. Recessions are supposed to cure inflation. That has not been the case."

Mr. Wood said that if there was no improvement in inflation as the recession began to end, the Federal Reserve could adopt a tighter monetary policy, keeping interest rates high.

The Federal Reserve has been pushing rates lower for the last several months. In testimony last week before the Joint Economic Committee, the Federal Reserve chairman, Alan Greenspan, said there could be room to cut rates further, depending on the course of inflation.

Mr. Greenspan said he remained optimistic that the recession would be briefer and milder than the average downturn over the last 45 years. He added that the quick end to the Gulf war had bolstered this belief.

On the positive side, the Labor Department said that some of the surge in February was due to one-time factors. The department blamed part of the jump in the core rate of inflation on higher costs for clothing, hotel rooms and alcoholic drinks, as well as the recent 16.1 percent increase in postal rates.

But some economists said they thought the economy would take longer to respond than the government was hoping it would.

On the trading floor, IBM was the most active issue following its earnings announcement, plunging 12¾, to 115⅛.

RJR Nabisco followed, off ⅛, to 10⅛. Fannie Mae — sensitive to any fluctuation in interest rates — was third, down 1¼, to 44⅛.

Among other blue chips, AT&T added ½, to 34⅞, and Chevron jumped 1⅞, to 77⅞, while Philip Morris lost ½, to 66½, and Boeing fell ⅞, to 47⅛. Merck plunged 4⅞, to 101½.

(Reuters, AP, UPI)

N.Y. Stocks

Dollar Ends Mixed in N.Y. After Wild Ups and Downs

Reuters

NEW YORK — The dollar ended mixed Tuesday in one of its most volatile trading sessions in years.

The U.S. currency surged to 1.6740 Deutsche marks, a nine-month high, after the Bundesbank president, Karl Otto Pöhl, called Germany's monetary union a "disaster" and the United States reported a sharp rise in February consumer prices. But concerted central-bank dollar selling knocked the wind out of the rally.

"The dollar may be in for a little breather now," said Howard Silverman, a dealer at First Boston.

The dollar ended at 1.6442 DM, up from 1.6280 at the close on Monday, but it slipped to 137.90 yen from 138.10. It rose to 1.4190 Swiss francs from 1.4067 and to 5.6015 French francs from 5.5485.

The British pound closed at $1.7805, down from $1.7930.

About a dozen central banks sold the dollar, led by the Bundesbank, the Federal Reserve and Swiss National Bank. "The central bank selling took a lot of people off guard," Mr. Silverman said.

Earlier in London, after a brief dip following the central bank intervention, the dollar recovered to close at 1.6470 DM, up from 1.6330 DM at the close Monday. It rose to 137.95 yen from 138.60; to 1.4245 Swiss francs from 1.4123, and to 5.6170 French francs from 5.5600.

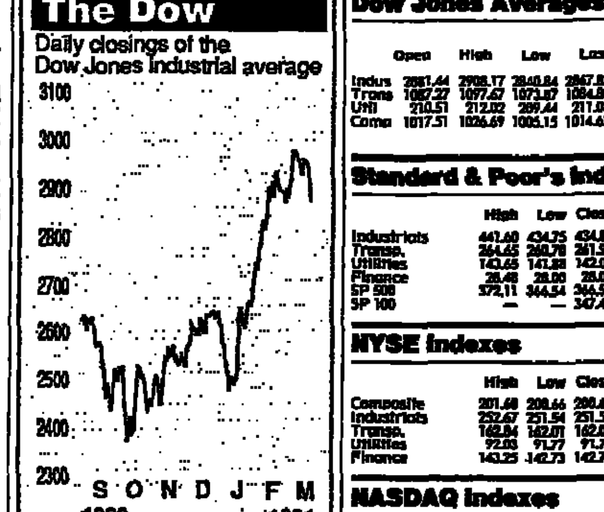
The pound closed at $1.7693 in London, down from $1.7875.

Foreign Exchange

Via Associated Press March 19

The Dow

Daily closings of the Dow Jones industrial average



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
IBM	63312	119	115	115⅛	—12¾
RJR Nb n	33102	10¼	9⅞	10⅛	—⅛
FedNM	21477	44½	43	44⅛	—1¼
AT&T	19802	34⅞	33⅞	34⅞	+½
BlockE s	19787	12¼	11¾	12¼	+⅛
GTE s	18304	32¼	31	31	—1⅛
PhilMr	17870	67	65⅞	66½	—½
Nike B s	17842	45⅞	43⅝	45⅛	—1⅝
Mobil	16737	63⅛	62½	62⅝	—⅝
Compaq s	16264	63⅛	61	61⅞	—3⅛
WarnL s	15227	72⅞	70⅞	71	—1⅞
LaidlwB	15148	13	12⅝	12⅞	—⅛
AMD	14785	10⅝	10⅛	10⅛	+⅛
AmExp	14592	27⅛	26⅝	26⅝	—⅛
Boeing s	13992	47⅞	46⅞	47⅛	—⅞

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Media	17300	20⅛	19½	20	—⅛
MovRs n	9023	14⅞	14	14½	
WangB	6516	4⅝	4	4¼	—⅛
ENSCO	3939	2⅞	2½	2⅝	—⅛
Amdhl	3721	14½	13½	13½	—1⅛
EchoBy	3623	8⅝	8⅛	8⅝	+⅛
DowC rt	3370	4⅝	4½	4⅝	+⅛
ForstL s	3191	36⅛	33⅝	36	+2
viCntAr	2935	3⅝	3½	3⅝	—⅛
SNk 93cwt	2675	4⅛	3⅝	3⅞	—½
Wthtrd	2580	6	5⅝	5⅝	
A-att2 sc	2442	6⅝	6	6¼	+¼
FruitL	2412	12⅝	11⅞	12⅛	—⅝
EksNk wt	2393	5⅞	5½	5⅞	+⅛
A-ibm sc	2261	2⅝	2½	2½	—⅛

NYSE Diary

	Close	Prev.
Advanced	467	722
Declined	1143	841
Unchanged	442	478
Total Issues	2052	2041
New Highs	20	29
New Lows	4	3

Amex Diary

	Close	Prev.
Advanced	222	255
Declined	347	297
Unchanged	243	244
Total Issues	812	796
New Highs	17	13
New Lows	1	

NASDAQ Diary

	Close	Prev.
Advanced	707	847
Declined	1,208	1,041
Unchanged	2,202	2,229
Total Issues	4,117	4,117

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2881.44	2908.17	2840.84	2867.82	— 42.13
Trans	1087.27	1097.67	1073.87	1084.80	— 14.99
Util	210.51	212.02	209.44	211.08	— 0.63
Comp	1017.51	1026.69	1005.15	1014.62	— 16.64

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	441.60	434.75	434.88	—6.72
Transp.	264.65	260.78	261.97	—2.48
Utilities	143.65	141.88	142.01	—1.44
Finance	28.48	28.00	28.00	—0.48
SP 500	372.11	364.54	366.59	—5.52
SP 100	—	—	347.40	—6.69

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	201.68	200.66	200.66	—2.45
Industrials	252.67	251.54	251.54	—3.51
Transp.	162.84	162.01	162.08	—2.20
Utilities	92.03	91.77	91.77	—0.81
Finance	143.25	142.73	142.73	—1.87

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	466.21	458.98	462.81	—3.46
Industrials	520.82	513.60	519.72	—3.07
Finance	427.19	423.76	424.75	—3.18
Insurance	530.52	524.96	529.16	—1.67
Utilities	557.29	549.42	550.01	—8.43
Banks	301.15	297.37	299.32	—1.79
Transp.	488.13	479.86	486.44	+1.90

AMEX Stock Index

High	Low	Close	Ch'ge
353.22	350.53	351.37	—1.85

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	93.39	—0.34
10 Utilities	95.33	—0.38
10 Industrials	91.45	—0.31

Market Sales

NYSE 4 p.m. volume	177,870,000
NYSE prev. cons. close	196,854,560
Amex 4 p.m. volume	15,410,800
Amex prev. cons. close	10,970,800
NASDAQ 4 p.m. volume	149,338,000
NASDAQ prev. 4 p.m. volume	128,291,700
NYSE volume up	29,477,208
NYSE volume down	129,180,459
Amex volume up	3,944,820
Amex volume down	8,136,160
NASDAQ volume up	48,111,842
NASDAQ volume down	72,816,526

S&P 100 Index Options

March 19

Currency Options

PHILADELPHIA EXCHANGE

Total call vol. 74,854; Call open int. 248,852
Total put vol. 26,834; Put open int. 241,345
r—Not traded. s—No option offered.
Last is premium (purchase price).

European Futures

Sources: Matif, Int'l Petroleum Exchange, Reuters.

London Metals

Dividends

Company	Per	Amt	Pay	Rec
OMITTED				
Stelco Inc cl-A				
INCREASED				
Haywood S&L	Q	.16	4-10	3-29
INITIAL				
A&W Brands	..	.18	4-15	4-1
SPECIAL				
WstrnFedSvgs PR	..	.30	4-15	4-1
USUAL				
Abitibi-Price Inc	Q	c.12½	4-30	4-15
BeauticontrlCosmet	Q	.07	4-11	3-28
Bell Industries	Q	.10	5-15	4-25
Bunker Hill Income	Q	.41	4-12	3-29
CIM Hi Yld Secs	M	.07	4-8	3-29
Franklin MultiInco	M	.089 ½	4-15	3-28
FranklinPrincMatur	M	.06 ½	4-15	3-28
Lincoln Savings Bk	Q	.12	4-12	4-5
Ohio Art Co	Q	.06	6-6	4-8
Oilgear Co	Q	.20	4-18	3-29
Parkway Co	Q	.20	5-15	5-1
Schelib (Earl) Inc	Q	.09	4-12	3-29
Tenera (LP)	Q	.21	4-10	3-31
Van Dorn Co	Q	.15	5-1	4-19
WstrnFedSvgs PR	Q	.20	4-15	4-1
Ziegler Co	Q	.13	4-12	3-29

c-Canadian rate.
a-annual; m-monthly; q-quarterly; s-semi-annual

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
March 18	720,586	714,139	23,324
March 15	745,615	711,715	53,989
March 14	664,078	922,825	30,184
March 13	722,191	611,301	4,545
March 12	698,387	759,457	19,413

*Included in the sales figures.

U.S./AT THE CLOSE

NCR Bid Defense Ruled Invalid

DAYTON, Ohio (Reuters) — A U.S. District Court ruled Tuesday that NCR Corp.'s newly adopted employee stock ownership plan, which was apparently intended to help thwart American Telephone & Telegraph Co.'s hostile takeover bid, is invalid.

Separately, AT&T said it would raise its bid to $100 a share if NCR's board of directors were voted out.

General Dynamics Extends Layoffs

FORT WORTH, Texas (AP) — General Dynamics Corp. will lay off 2,000 more employees at its Fort Worth Division, reducing the work force there to its lowest level since 1985, the defense contractor said Tuesday.

Workers build the F-16 jet fighter and components for the F-111 jet at the plant. About 3,500 were laid off two months ago after the Pentagon canceled development of the A-12 stealth attack plane, which was $1 billion over budget and one year behind schedule.

When the latest round of layoffs is complete, there will be 19,000 workers at the plant, down from 31,000 in January 1990.

Duracell Plans Public Stock Offering

BETHEL, Connecticut (UPI) — Duracell International Inc., a maker of alkaline flashlight batteries, said Tuesday that it plans an initial public offering of 20 million shares.

In a registration statement with the Securities and Exchange Commission, Duracell said that of the offering, 15.5 million shares are expected to be sold in the United States and 4.5 million will be offered outside.

The company has granted the underwriters options to purchase up to 3 million additional shares of stock to cover over-allotments.

Square D Signs Confidentiality Pact

WASHINGTON (Reuters) — Square D Co. said Tuesday it had signed confidentiality pacts with third parties who have expressed an interest in exploring joint ventures or other possible transactions with the electrical-equipment company.

Square D, which is fighting a hostile takeover bid from Schneider SA of France, made the statement in a filing with the Securities and Exchange Commission.

HOMES: *Low Rates Lure Buyers*

(Continued from first finance page)

other home items. When sales rise, however, home prices stabilize and the new demand encourages builders to start new projects.

Mortgage Guaranty Insurance Corp., one of the leading U.S. private mortgage insurance companies, is also reporting that houses are now more affordable for first-time buyers than they have been in several years. And by paying a premium of several thousand dollars for mortgage insurance, buyers can often secure a home with a small down payment.

The apparent uptick in activity is too recent to have shown up in national figures on home sales, which still appeared to be falling in January. According to preliminary figures from the National Association of Realtors, owners sold 2.91 million houses in January, down from 3.13 million in December and the 3.47 million sold in January 1990.

Statistics on newly built houses, which usually trail the sale of older homes especially when the economy is coming out of a slump, also showed a decline. In January 408,000 new homes were sold, down 12 percent from 465,000 in December, and down 35 percent from 627,000 in January 1990.

But Leland C. Brendsel, the chairman of Federal Home Loan Mortgage Corp., said last week that he thought the recession in the housing market had bottomed out and that it should show clear signs of recovery by midyear.

Another encouraging sign for the housing industry is the increased traffic at new subdivision sites. Many subdivisions consist of lower-priced homes aimed at new buyers.

TAX: *U.K. Budget Raises VAT 2.5% to Cover Sharp Reduction in Poll Tax*

(Continued from first finance page)

reform of local government to be announced on Thursday. Introduced in England and Wales only one year ago and in Scotland two years ago, the charge led to plummeting public-opinion polls for the Conservatives and contributed to the downfall of Margaret Thatcher as prime minister last November.

Neil Kinnock, leader of the opposition Labor Party, called the poll tax move "the biggest climb-down in modern political history."

The budget, which Mr. Lamont called "a budget for business," also included tax incentives for businesses of £380 million. Corporation tax was reduced from 35 percent to 33 percent this year. A retrospective 1 percent cut in the tax for the financial year just ending was also announced to help companies with cash flow problems because of the recession.

Though most analysts said Mr. Lamont's choices were fundamentally sound on purely economic grounds, they were more doubtful that much had been done to speed the recovery from recession.

The budget also did not contain as many steps as most had expected to put more substance behind Prime Minister John Major's rhetoric about making Britain a more classless society and to smooth the harsher edges of Thatcherism.

"All that's happened is that he has halted the march in one direction, but he has not reversed course," said Mr. Budd.

The budget included some measures to favor the less well off, like increasing child benefits. It also penalized the rich by increasing taxation on perks like company cars (plus 20 percent) and mobile telephones.

As of 6 P.M. on Tuesday evening, excise duties on alcoholic drinks went up by 9.3 percent and on tobacco by 15 percent.

WORLD STOCK MARKETS

Agence France Presse March 19

Market Closed

The stock market in Madrid was closed Tuesday for a holiday.

U.S. FUTURES

Via Associated Press March 19

Commodity Indexes

	Close	Previous
Moody's	1,048.40 f	1,058.20 f
Reuters	1,720.40	1,717.10
D.J. Futures	128.54	128.85
Com. Research	218.22	217.52

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

صكرا من الاجل

صكذا من الاصل

Santander Buys Into Fidelity

Compiled by Our Staff From Dispatches

MADRID — Banco de Santander, Spain's second-largest commercial bank, has acquired a 13.3 percent stake, worth $220 million, in First Fidelity Bancorp. of the United States.

Santander has also acquired warrants that give it the right to buy a further 10 percent of First Fidelity's share capital. If exercised, the options would take the total cost of the purchase to $463 million, according to a statement released by New Jersey-based First Fidelity.

Santander's purchase, which was announced late Monday, is the first large acquisition by a European bank in the United States since the Treasury last month unveiled plans to overhaul rules governing the U.S. banking system.

The new rules, which are currently under discussion in the U.S. Congress, were welcomed last month by the European Community in particular as providing "exciting opportunities" for European banks.

The proposed regulations would tear down traditional barriers in the United States between banking and other businesses — barriers that exist in few other countries. They would permit U.S. banks to branch out into traditionally forbidden areas such as securities, mutual funds and insurance.

The new rules would also scrap laws prohibiting commercial and industrial companies from owning banks.

Banco de Santander, which already is active in securities, funds and insurance, said the purchase reflects plans to diversify into expanding markets in the northeastern United States.

In addition to being one of Spain's biggest private financial institutions, Banco de Santander has also been one of its most aggressive in expanding abroad. The Spanish bank own a stake in Royal Bank of Scotland PLC and also has a link-up with Nomura Securities Co. of Japan.

In the United States, Santander owns a 3 percent stake in Kemper Corp., the parent of Kemper Financial Services Inc., one of the leading U.S. specialists in fund management and other financial services.

First Fidelity Bancorp. is the United States' 21st largest banking group, with assets valued at $30 billion and 550 branches in the states of New Jersey and Pennsylvania.

The sale will provide First Fidelity with the capital it needs to expand.

Since the arrival a year ago of Anthony P. Terracciano as chairman, First Fidelity has moved quickly to cut costs and return to profitable operations, despite the increases in troubled loans caused by the recession.

Last month, First Fidelity acquired 48 branches and $2.5 billion in deposits from a failed New Jersey savings bank.

"We looked at some 80 banks in 38 states before deciding to invest in First Fidelity," said Emilio Botton, the chairman of Banco de Santander. "It will be our only direct investment in a major regional U.S. banking company."

Banco Santander paid $23.25 for each new share, or slightly more than Monday's close of $23.125 on the New York Stock Exchange.

(Reuters, NYT, AFP)

Loss at Mack Hurts Renault Trucks Unit

Reuters

PARIS — Renault Véhicules Industriels, the heavy-vehicle subsidiary of Renault, said it recorded a net loss of 102 million francs ($18.5 million) in 1990, compared with a year-earlier profit of 930 million francs.

The loss at the company's U.S.-based subsidiary, Mack Trucks Inc., widened to $285 million from $185 million in 1989, the chairman of RVI, Jean-Pierre Capron, said at a news conference. Mack's sales fell to $1.46 billion from $1.75 billion.

Véhicules Industriels' revenue declined to 29.66 billion francs in 1990 from 34.29 billion in 1989.

Mr. Capron said that the drop was largely due to the situation in the United States. He said that Renault would continue to take action to try to make Mack profitable.

Allied-Lyons Posts Big Currency Loss

By Steven Prokesch
New York Times Service

LONDON — The stock price of Allied-Lyons PLC dropped 5.8 percent on Tuesday after the British food and drinks giant disclosed that it had suffered a foreign-exchange loss of about £150 million ($268 million) and that its finance director had resigned.

The company said the loss was being investigated by its auditor, KPMG Peat Marwick McLintock, and by National Westminster Bank. It said it had asked NatWest to help it close out the "abnormal" foreign-exchange position.

Analysts said the company was financially strong and would not be hurt significantly by the loss. But it caused them to lower their estimates of pretax earnings in the year that ended March 2 by £150 million to a range of £471 million to £486 million. In the year that ended March 3, 1990, Allied-Lyons had pretax earnings of £565 million on revenue of £4.73 billion.

On the London Stock Exchange, the company's stock price closed at 517 pence, down 32 pence from the close on Monday.

Allied-Lyons gave no explanation for what it identified as "recent abnormal foreign-exchange exposures," although it said it had taken steps "to ensure that such exposures will not recur."

Ron Littleboy, an analyst at Nomura Research Institute Europe Ltd., said Allied had indicated that it did not believe the loss to be result of any illegal action.

Allied-Lyons has a reputation for being conservatively managed. Jonathan Goble, an analyst at Barclays de Zoete Wedd Securities Ltd., speculated that Allied executives had merely guessed incorrectly on currency movements as they engaged in normal hedging to reduce the currency-exchange exposures arising from their multinational businesses.

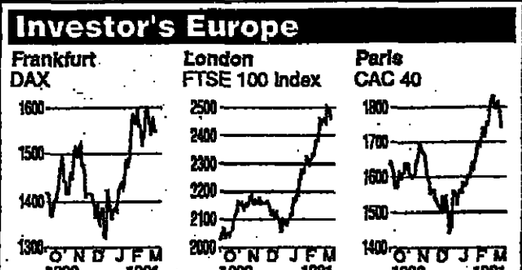
But other analysts thought the loss was much larger than could be expected from normal hedging and speculated that executives had tried to increase profits in the foreign-exchange markets.

"It's impossible to lose that much money on normal hedging," Mr. Littleboy said.

The company did not say who was responsible for the loss, but it said the finance director, H. Clifford Hatch Jr., "has signified his intention to resign when an orderly handover of his responsibilities has been arranged." An Allied-Lyons spokesman said Mr. Hatch was not personally responsible for the loss.

Mr. Hatch joined Allied in 1986, when it bought a large stake in Hiram Walker, the Canadian alcoholic beverages concern he had headed. Analysts saw him as a leading contender to succeed Richard G. Martin, Allied's chief executive, who will retire in October 1992 at age 60. The finance director since 1987, he had played an important role in acquisitions.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	92.50	92.80	-0.32
Brussels	Stock Index	5765.95	5785.61	-0.34
Frankfurt	DAX	1546.53	1552.85	-0.41
Frankfurt	FAZ	658.91	664.33	-0.82
Helsinki	HEX	1103.40	1096.20	+0.66
London	Financial Times 30	1947.10	1979.20	-1.62
London	FTSE 100	2459.00	2490.60	-1.27
Madrid	General Index	Closed	289.22	-
Milan	MIB	1161.00	1159.00	+0.17
Paris	CAC 40	1740.97	1777.91	-2.08
Stockholm	Affarsvarlden	1079.20	1104.40	-2.28
Vienna	Stock Index	N.A.	N.A.	-
Zurich	SBS	592.20	599.10	-1.15

Sources: Reuters, AFP International Herald Tribune

Storehouse Sells U.S. Unit at a Loss

Reuters

LONDON — The British retailing group Storehouse PLC said Tuesday that it had sold the U.S. unit Mothercare Inc. to the investment company Bain Group for $11 million in cash and loan notes.

The company said it would incur a £7.5 million ($13.5 million) loss on the sale. Mothercare Inc. is a unit of Mothercare Group, which has products for pregnant women, babies and young children.

Storehouse said it would license the use of the name to Mothercare Stores Inc. for seven years.

Profit Drops At Manpower

Reuters

LONDON — The international employment agency Manpower PLC reported Tuesday a decline in pretax profit for the 14 months to the end of December.

The agency reported pretax profit of £55.72 million ($100 million) for the period, compared with £64.23 million for the 12 months ended October 1989. Revenue was £2.0 billion, against £1.6 billion.

Manpower passed its dividend and cautioned that market conditions may get worse. The group took an extraordinary charge of £21.22 million.

EC Extends Probe of Tetra Pak Bid

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Tuesday it had launched a full antitrust probe into Tetra Pak International's 16 billion kronor ($2.8 billion) bid for the Swedish agro-engineering group Alfa Lavel AB after a one-month initial inquiry.

"The serious doubts of the Commission, which have prompted the opening of proceedings in this case, concern the possibility that the vertical complementarity between the two companies' products would create or strengthen a dominant position in either the food-processing machine sector or the packaging sector," the Commission said in a statement.

The Commission last week used its wide powers under EC merger rules to extend suspension of the bid indefinitely.

Tetra Pak, a private Swiss-registered packaging group, asked the Commission early last month to clear its bid for 90 percent to 100 percent of Alfa Laval. The bid is open for acceptance by Alfa Laval shareholders until May 17, according to the Commission.

"After the takeover, the new company would have the possibility of offering a complete product range, providing all processing and packaging machinery necessary for the operation of a food-processing plant such as a dairy," the Commission said. It added, "Its competitors are able to provide either food processing or packaging machines but not both."

Under new merger rules that took effect last fall, the Commission has exclusive jurisdiction to approve or veto all mergers involving firms doing a combined 5 billion European Currency Units ($6.5 billion) worth of business in the Community. The regulations apply even, as in this case, when neither company is based in the Community.

The Commission must decide within one month whether to launch a full probe, and if so, it must complete the probe within an additional four-month period.

(Reuters, UPI)

Fauchier Loses Independence

Reuters

PARIS — The French stockbroker Fauchier-Magnan, Durant des Aulnois said Tuesday that it was giving up its independence after nearly two centuries as a family-owned firm.

The state bank Caisse des Dépôts & Consignations and the state-run insurer Union des Assurances de Paris are to lift their stakes in the firm to 35 percent and 15.1 percent.

Since the end of fixed commissions in 1989, independent French brokers have increasingly sought links with banks to bolster their capital.

Tungsram Sees Its Profit Increasing to $30 Million

Reuters

BUDAPEST — Tungsram Co. expects to generate annual profits of at least $30 million by 1995 as its heavy capital investment and restructuring measures bear fruit, the General Electric Co. unit's chief executive said Tuesday.

Booming demand for compact fluorescent lighting and a new array of automotive lighting products should help Tungsram complete its turnaround, George Varga said.

He said Tungsram lost about one billion forints ($14 million) last year under local accounting rules. Projected profits in the mid-1990s are under Western accounting methods.

Mr. Varga did not predict 1991 results, but when asked about an analyst's forecast that Tungsram would post annual profits of at least $30 million by 1995, he said, "Yes, that is realistic."

With Comecon's switch to hard-currency accounting this year, almost all of Tungsram's sales are in convertible currencies. Only Hungarian sales, which represent less than 10 percent of revenue, are not in hard currency, he said.

"We expect our sales this year to be in the range of $400 million to $450 million," he added. "It depends on the exchange rates. This ought to be around 12 to 15 percent over last year."

The company will also keep cutting its payroll. It slashed 3,500 jobs last year, and will trim another 1,500 to 2,000 in 1991, Mr. Varga said. That should bring employment at year-end to around 13,000.

One of Tungsram's biggest problems remains financing.

"GE as a shareholder really cannot finance the company directly," he said. "GE has given a number of guarantees, and applied a lot of pressure on friendly banks to help Tungsram, and that's been successful."

Mr. Varga said he was disappointed by the government's apparent unwillingness to devalue the forint further.

ADS: *Taster's Choice Serial on TV*

(Continued from first finance page)

said Virgin planned to add flights to San Francisco, Washington, Chicago and Orlando, Florida.

Mr. Tait said Virgin had always concentrated on attracting business travelers.

Virgin relies on its humorous, sometimes wacky ads to gain attention. Its $8 million ad budget is dwarfed by what British Airways and Pan American spend on marketing. A billboard to announce the airline's service to Boston, for example, says, "Virgin: more experience than our name suggests."

●●●

Pepsi-Cola Co. and Boeing Co. are underwriting an in-flight video program that will be shown to American military personnel flying from the Gulf to the United States, Randall Rothenberg of The New York Times reported.

The two-hour program, which will consist of segments produced by Cable News Network, Home Box Office, the Nashville Network and Walt Disney Co., is scheduled to be shown through August on the 13 commercial airlines that are carrying troops back from the Gulf.

Some 400,000 of the 500,000 American personnel in the Gulf are returning on commercial airliners, the program's sponsors said. The carriers are American, American Trans Air, Delta, Pan Am, Tower Air, United, TWA, World Airways, Sun Country, Northwest, America West, Continental and Hawaiian.

The program, "Welcome Home To America," was created by Flight Level Video, a New York producer of in-flight videos, and will consist of repackaged entertainment news, comedy segments, music videos and other material that appeared on television during the six months that American military personnel were serving in the gulf.

The show, which was developed at the suggestion of Pan Am, will also carry two ads: a tribute to patriotism that Boeing ran on commercial television during the conflict, and an all-text scroll at the program's end that reads, in part, "The people of Pepsi-Cola are proud, too, that we were there to provide a little taste of home for you while you served our country, and proud to help bring you this different taste of home."

GOVERNEMENT SECURITIES FUND
Annonce de mise en paiement d'un dividende
(Veuillez noter que cette annonce annule et remplace celle publiée en date du 10 Mai 1990).

Le dividende intérimaire de US$3,- par part a été mis en paiement à partir du 15 mars 1990 et non à partir du 4 mai 1990 contre remise du coupon n° 13 des certificats au porteur à la

BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG
Société Anonyme
20, Boulevard Emmanuel Servais
2535 Luxembourg

La part a été cotée ex-dividende en Bourse de Luxembourg à partir du 19 mars 1990 et non à partir du 4 mai 1990.

DAIWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD
INTERNATIONAL EQUITY FUND
Registered office:
20, boulevard Emmanuel Servais, L - 2535 Luxembourg
R. C. S. Luxembourg B 28.616

Notice is hereby given that the ANNUAL GENERAL MEETING of the shareholders of DAIWA CAPITAL - L.C.F. Edmond de Rothschild International will be held at the registered office of the company on March 29th, 1991 at 11:00 a.m.

AGENDA

1. Approval of the report of the Board of Directors and the report of the Auditor;
2. Approval of the balance sheet and the profit and loss account as at December 31, 1990;
3. Allocation of the net result;
4. Discharge to the outgoing Directors in respect of the carrying out of their duties for the year ended December 31, 1990;
5. Re-election of the Directors and the Auditor for a new statutory term.
6. Any other business.

Resolutions on the above mentioned agenda will require no quorum and the resolutions will be passed at a simple majority of the shares present or represented at the Meeting.
A shareholder may act at any meeting by proxy.

On behalf of the Company,
BANQUE PRIVÉE EDMOND DE ROTHSCHILD S.A.
Succursale de Luxembourg
20, Boulevard Emmanuel-Servais,
L - 2535 Luxembourg

LUXLANE S.A.

Notice is hereby given that the Annual General Meeting of the company will be held at the offices of Hoogewerf & Cie, 19 rue Aldringen, Luxembourg, on Friday 12th April 1991 at 10:00 a.m. to conduct the ordinary business of the company.

The official agenda of the meeting and copies of the latest annual report and audited accounts will be available as from March 21st 1991, for collection from the offices of Hoogewerf & Cie and the specified paying agent.

Shareholders may vote at the meeting either by attending in person with their share certificates or by depositing their certificates with a bank. In the latter case special bank depositary receipts to the order of a specified paying agent, voting certificates and certificates of block voting instructions must be filed with a specified agent by 10:00 a.m. on Wednesday April 11th 1990. The certificate of block voting instruction, voting certificates and special bank depositary receipts may be obtained from the specified paying agent.

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Edificio Bank of America
Calle 50, Apartado 6307
Panama 5

By order of the Board
F N Hoogewerf
Secretary

Paying agents: Rea Brothers PLC
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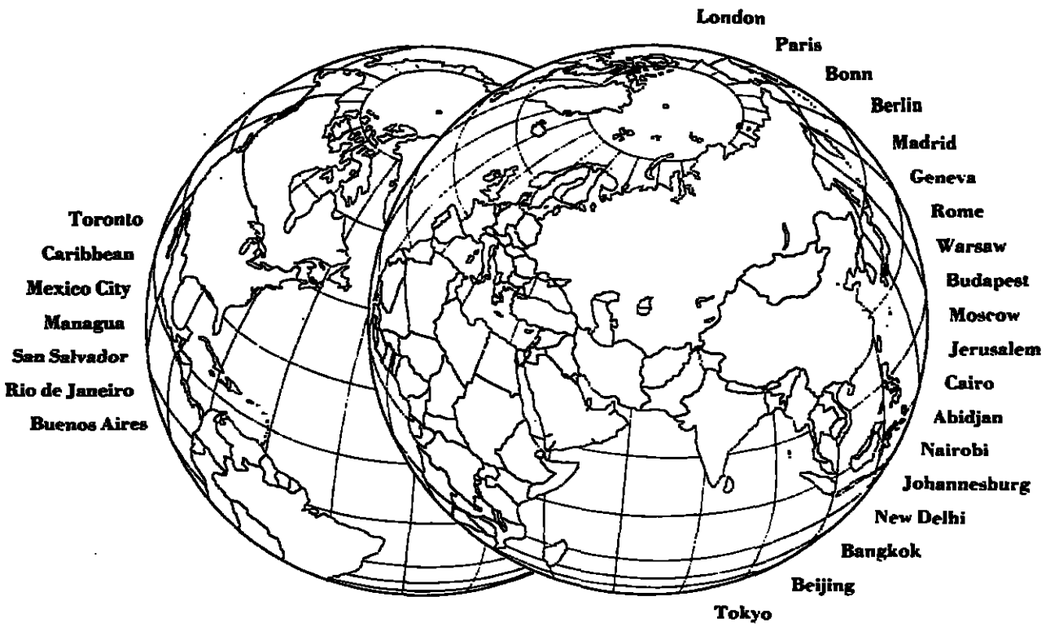

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NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the most recent trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
f — dividend in Canadian funds, subject to 15% non-residence tax.
g — dividend declared after split-up or stock dividend.
i — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
j — dividend declared or paid this year, an accumulative issue with dividends in arrears.
k — new issue in the past 52 weeks. The high-low range begins with the start of trading.
pd — next day delivery.
r — price-earnings ratio.
s — dividend declared or paid in preceding 12 months, plus stock dividend.
t — stock split. Dividend begins with date of split.
u — issued.
v — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
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xr — when issued.
ww — with warrants.
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MGM-Pathe Reaches Loan Accord

The Associated Press

LOS ANGELES — The financially troubled MGM-Pathe Communications Co. has reached a tentative agreement for a $250 million loan from a Paris bank, a newspaper reported Tuesday.

The loan from Crédit Lyonnais would come as creditors have stepped up pressure for payment of tens of millions of dollars in overdue bills, the Los Angeles Times said, quoting sources familiar with the loan.

The studio has been notified that several creditors plan to file an involuntary bankruptcy petition against the company as early as this week, if it fails to pay more than $20 million in overdue bills.

The company declined to comment on the loan or the bankruptcy threat, the newspaper said. Attorney Stephen Chrystie, who represents several creditors, also declined to discuss the situation, it said.

In recent interviews, MGM-Pathe's chairman, Giancarlo Parretti, has said the company is meeting its obligations and has enough money to continue operations.

Pathe Communications purchased the entertainment giant MGM-UA Communications Co. for $1.4 billion last Nov. 1.

Three or more creditors can seek the involuntary liquidation of a company under Chapter 7 of the U.S. Bankruptcy Code. The company then has three options: It can agree to the liquidation, file for protection from creditors under Chapter 11 or demonstrate to a judge that it has enough money to pay its bills.

The new loan would enable MGM-Pathe to release about 10 films that were produced during the past year at a cost of $154 million. One film, "Delirious," starring John Candy, was scheduled for release in March, but the date was pushed back to August because the company could not place advertising because of unpaid bills.

The acquisition of MGM/UA marked the latest in a series of purchases of U.S. film and television studios by foreign investors. Three of the seven leading U.S. movie studios — Columbia Pictures, 20th Century Fox and MGM — are now owned by non-U.S. entities.

Macleod Gets Top H.K. Job

Reuters

HONG KONG — Hamish Macleod is to replace Sir Piers Jacobs as Hong Kong's financial secretary later this year, the government announced Tuesday.

It gave no date but said Sir Piers, a lawyer by training, would be retiring after 29 years of service.

Mr. Macleod, currently secretary for the Treasury, has worked mainly in the economic area since joining the administration in 1964. Sir Piers took over as financial secretary from Sir John Bremridge in 1986.

Kuwait's Banking System Readies for Business

Compiled by Our Staff From Dispatches

KUWAIT — Kuwait's banks will reopen on Sunday, an official said Tuesday, giving government cash grants of 500 new dinars ($1,750) to all Kuwaitis who stayed through Iraq's seven-month occupation of the emirate.

The central bank governor, Sheikh Salem Abdulaziz al-Sabah, said a new exchange rate would also be fixed on Sunday, near the pre-invasion level of about $3.50 to the dinar.

The Iraqis, who invaded Kuwait last Aug. 2, stole 1.3 million ounces of gold worth nearly $1 billion, and 350 million dinars in cash from the bank's vaults, but left the white marble interior otherwise intact.

Sheikh Salem said at a news conference the Iraqis had been given the vault's combination by bank staff, whom he refused to identify, bypassing elaborate security precautions designed to prevent forcible entry that he said would have caused them "a lot of problems."

The governor said he doubted Iraq was serious about offers to return the gold, noting press reports much of it had been distributed to other Arab states sympathetic to Baghdad.

Commercial banks' operations would be limited for up to three months to simple cash withdrawals and deposits, and exchanging new dinar banknotes for pre-invasion currency on a one-for-one basis.

He said 700 million dinars in new bills had been printed in London and flown out to Kuwait. The Kuwaiti news agency, KUNA, added that Kuwait had set a six-month deadline for the central bank to exchange old banknotes for the new dinars.

"Sept. 30, 1991, is set as the final date for the central bank's commitment to exchange banknotes," KUNA quoted a cabinet decree as saying.

Sheikh Salem said non-Kuwaitis would not get the 500 dinar cash handouts. They include an estimated 170,000 Palestinians still in the emirate, many of whom the Kuwaitis accuse of collaborating with the Iraqis.

There would be some restrictions on cash outflows for three months, but Kuwaiti commercial banks which had set up in London had already begun meeting foreign obligations under the central bank's supervision, he said.

When banks open for five hours of trading at 10 A.M. on Sunday, restrictions on foreign remittances and ceilings on withdrawals from personal accounts will be in effect, the sheikh said.

But he stressed that the restrictions, details of which will be spelled out later in the week, would last only for 45 days to three months, after which the banking system would operate as normal.

The dinar's external exchange rate would continue to be based on a basket of currencies of Kuwait's major trading partners, he added.

(Reuters, AFP)

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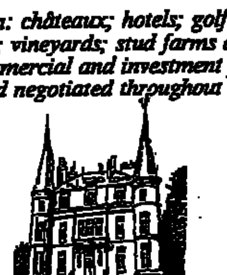

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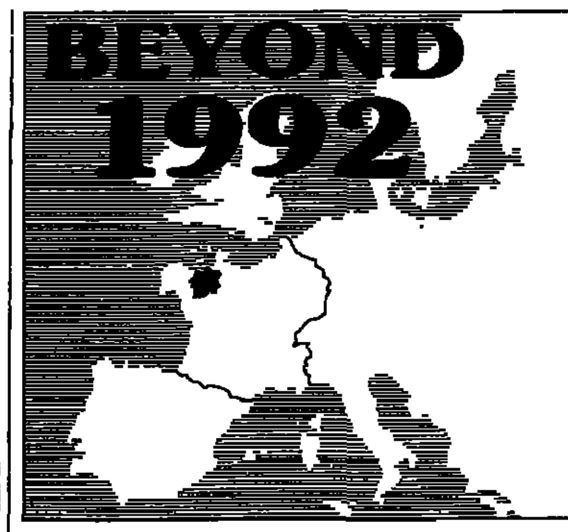

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Tuesday's Closing

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(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
[illegible]										

NYSE Highs-Lows

NEW HIGHS 28

AT&T Cap wt	AmAdjRt96 n	AmStores	Angelica
CML Gp	Comsoup	CstnFds wt	Conseco
Ecolab	EmpDE pfA	EnterroCp	IIIPw adl sf
Kellogg	Mestek	PrideCos n	Rexene
Rubermd	SeaCntLtd pf	Svcmstr	VonsCos

NEW LOWS 4

BeloAH	BritPtr wt	GrndMetr n	MesaLP

AMEX Highs-Lows

NEW HIGHS 17

Am Petrof	AmTr-pho un	AmTr-chv prm	AmTr-ko sc s
Armatrnintl	BarrLab	CondaWineA	CondaWineB
EagleFncl	EcolEnv	HalwdEP	MidlandCos
OdeticsA	Raven	SierraHlth	Tecogen
US Bancorp			

NEW LOWS 1

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read THE MONEY REPORT every Saturday in the IHT

Tate & Lyle Bids For Bundaberg

Compiled by Our Staff From Dispatches

SYDNEY — The British sugar giant Tate & Lyle PLC launched Tuesday a 290 million Australian dollar ($223 million) takeover bid for Bundaberg Sugar Co., one of Australia's largest sugar producers.

Queensland-based Bundaberg immediately shunned the offer as opportunistic and advised shareholders not to sell.

Tate & Lyle pointed out that the bid price, 3.70 dollars a share in cash, represents a 31 percent premium over the pre-bid market price of 2.82 dollars. But Bundaberg's chairman, Roy Deicke, said, "The offer is subject to a number of conditions and having been made at a low point of the stock and sugar price cycle would appear opportunistic."

Bundaberg stock jumped 70 cents to close at 3.52 dollars after the offer was announced.

The Australian concern reported a net profit of 28.3 million dollars in the year ended April 30, 1990. In February, the company said operating profit in the 1990-91 year would be significantly lower because of lower world sugar prices.

Tate & Lyle's chairman, Neil Shaw, said, "World sugar price volatility and the consequent cyclicality of Bundaberg's earnings will continue." *(Reuters, AFP)*

■ Bougainville Keeps Rising

Stock of Bougainville Copper Ltd. rose again Tuesday, Reuters reported. The shares have jumped since early March on speculation that CRA Ltd. may soon abandon its investment in the operator of the mothballed copper and gold-mine in Papua New Guinea.

The price of Bougainville, 53.6 percent owned by CRA, closed at 1.13 Australian dollars on Tuesday, up five cents from Monday's close, and compared with 75 cents recorded on March 1.

"There have been strong rumors in the Australian market that CRA was close to selling its stake," said analyst Peter Richardson of ANZ McCaughan Ltd. The Bougainville mine has been shut since May 1989 because of a secessionist rebellion.

Meanwhile, analysts said CRA will have to dig deeper to win control of Coal & Allied Industries Ltd., the coal producer for which it has launched a 437 million dollar hostile bid.

The analysts said CRA may be forced to raise its 7.85 dollars-a-share offer to as much as 9.50 dollars to move to a controling 50.1 percent stake.

Investor's Asia

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3751.40	3724.35	+0.73
Singapore	Straits Times	1484.84	1486.13	-0.09
Sydney	All Ordinaries	1456.50	1456.80	-0.02
Tokyo	Nikkei 225	27006.66	27146.91	-0.52
Kuala Lumpur	Composite	594.54	596.62	-0.35
Bangkok	Book Club	782.10	783.97	-0.24
Seoul	Composite Stock	672.16	678.15	-0.88
Taipei	Weighted Price	4837.60	4818.84	+0.39
Manila	Composite	1016.68	1007.56	+0.91
Jakarta	Stock Index	398.15	398.87	-0.18
New Zealand	Barclays	1332.82	1328.12	+0.34
Bombay	National Index	593.39	593.39	Unch

Sources: Reuters, AFP — International Herald Tribune

Sri Lanka Ends Curbs On Foreign Currencies

Compiled by Our Staff From Dispatches

COLOMBO — Sri Lanka's central bank announced Tuesday that it will relax foreign-exchange controls to help draw in foreign investment.

From Wednesday, both residents and non-nationals can bring in any currency after making a formal declaration to customs. Previously it was illegal for Sri Lankans to bring in nonconvertible currency. *(AFP, Reuters)*

State-Owned Yangming Seeks Taiwan Listing

Reuters

TAIPEI — State-owned Yangming Marine Transport Corp. has applied to be listed on the Taiwan Stock Exchange, officials said on Tuesday.

Yangming's application is in line with the government drive to privatize Taiwan's state enterprises, said the president of the company, Chen Ting-hui.

Yangming this year will offer 200 million shares and eventually increase the volume to 600 million over the next three years, he said.

"Our goal is to reduce government shares to below 50 percent to turn Yangming into a private company," he said.

A spokesman for the Taiwan Stock Exchange, Chen Ming-tai, said that a decision will be made next month on Yangming's application. "If everything goes well, we will submit our screening to the Securities and Exchange Commission for final approval," he said.

SEC approval is only a rubber stamp, analysts said.

Chen Ting-hui said he hoped to list Yangming in July on the Taiwan Stock Exchange if the stock market remains stable with the weighted index ranging from 4,000 to 5,000. The index closed at 4,837.60 on Tuesday.

If the index falls below 4,000 point, Yangming will postpone its public offer, the president said.

"We will be cautious in our offer. We will not make the offer if the stock market is on the downward side," he said.

The stock float is part of a wider effort to modernize Yangming's management and cut costs.

Yangming had a loss of about $19 million in the financial year that ended June 30, 1990, on revenue of $561 million.

Mandarin Net Slips, Jardine Fleming Gains

Compiled by Our Staff From Dispatches

HONG KONG — Mandarin Oriental International Ltd., which operates luxury hotels in Asia, said Tuesday that its net profit dropped 10.3 percent last year to $45.2 million.

The company's revenue slipped to $124.0 million from $127.8 million.

But Jardine Fleming Group Ltd. said it had record after-tax profits of 577 million Hong Kong dollars ($74 million), up 10 percent on the year. Revenue figures were not disclosed.

Jardine Fleming is the financial-services unit of Jardine Matheson, Hong Kong's oldest trading house. The Mandarin is 47 percent owned by Jardine Strategic Holdings, another unit of Jardine Matheson. *(AFP, Reuters)*

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March 19, 1991

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Fund	Currency	Price
[illegible]		

Other Funds

Fund	Currency	Price
[illegible]		

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SPORTS

Royals Drop Injured Jackson, Say He May Never Play Again

By Murray Chass
New York Times Service

FORT LAUDERDALE, Florida — Starting Tuesday, an American League team could pick up the real Bo Jackson for less than the price of his baseball card.

The Kansas City Royals took a stunning step Monday, placing the oft-injured two-sport star on unconditional release waivers.

Any American League team can claim him for $1 during the waiver period that ends at 2 P.M. eastern standard time Friday.

A lawyer for the Players Association immediately challenged the propriety of the release.

Herk Robinson, the club's general manager, announced the Royals' action at a news conference at their spring training complex in Haines City, Florida.

"We felt this was the cleanest manner in which to handle this and was probably the most equitable to all involved," Robinson said. "We got nearly $2.5 million involved in a situation like this; finances do enter into a situation like this."

The move came amid unconfirmed reports that Jackson would not be able to play baseball or football again because of complications after an injury to his left hip incurred playing for the Los Angeles Raiders in a National Football League playoff game on Jan. 13.

Jackson, 28, said Monday that he believed he would be able to play baseball this season.

"Don't count me out," he said at a news conference with Dr. James Andrews of the Alabama Sports Medicine and Orthopedic Center in Birmingham, shortly before the Royals' announcement.

Dean Vogelaar, the Royals' vice president for public relations, said by telephone from Haines City: "Based on the medical reports we have, there is a real question mark in our minds whether he can physically perform, this year or ever. We're not saying he's never going to play, but at this point we feel he can't perform."

"I don't want to speculate," said Art Shell, the coach of the National Football League's Los Angeles Raiders, who was in Hawaii attending the league meetings. "The doctor gave me some name of the injury. It was slight dislocation and with rest he would be all right. With rest, he's supposed to be able to play."

Vogelaar said the Royals were releasing Jackson under paragraph 7(b)(2) of the uniform player's contract. But Eugene Orza, associate general counsel of the Players Association, questioned the team's right to do that.

AP
Jackson: "Don't count me out."

"My initial reaction is that this is an improper release," Orza said by telephone from his home in New York. "Before reaching a firm conclusion, I want to talk to his agent and see all of the doctors' reports, but my initial impression is they cannot do this without substantial financial responsibility."

Jackson, who has played professional baseball and professional football in the same year for four years and has been injured in each sport in each of those years, has a contract for the 1991 baseball season for $2,375,000.

By releasing him now, the Royals said, they would owe him only 30 days' termination pay, which computes to $395,833, a savings for the club of $1,979,167. Their ability to release him now, though, is what Orza questioned.

The contract clause cited by the Royals says a club can release a player if the player shall "fail, in the opinion of the club's management, to exhibit sufficient skill or competitive ability to qualify or continue" as a member of the team.

A player can not be released if he is injured as a result of a baseball mishap.

"Their claim, I guess, is that there is an inability to play because of an injury incurred outside baseball," Orza said, who added: "I can't imagine that they didn't know he was injured in football when he signed their contract. After he was injured and before he signed, he reported to the Royals' team physician."

Jackson agreed to the Royals' contract on Feb. 18.

According to a report from the Royals' team physician, Steve Joyce, special X-ray studies were preformed on Jackson on Feb. 14-15 and they "confirmed the loss of joint cartilage space and the development of early avascular necrosis of the femoral head."

The report continued: "The loss of cartilage in Bo's case exceeds what is normally seen in the early stages of avascular necrosis."

The disease, in which a bone dies because the blood supply is cut off, is normally associated with older people and is rarely caused by a single injury.

Additional studies, Joyce's report said, prompted a recommendation to Jackson and the Royals' management "that he not participate in the 1991 baseball season."

Andrews, while declining to comment on the reports of avascular necrosis, said it was a significant injury and that blood flow to the hip joint is being monitored. "There has been no collapse of his hip joint," he said. "That's the reason we're putting him on crutches."

"We're in a protective phase at this point," said the doctor, who left open the possibility that Jackson might eventually be able to play football for the Raiders.

The Associated Press
Becker in defeat: "He hardly missed a ball. I was surprised."

Pat McEnroe Stuns Becker

The Associated Press

KEY BISCAYNE, Florida — Patrick McEnroe did something his brother, John, has done only once. He beat Boris Becker.

McEnroe, 24, upset the second-ranked German, 6-1, 6-4, in the third round of the International Players Championships. He had lost to Becker in four sets when they met in the semifinals of this year's Australian Open, but was in control from the start Monday night.

Another former No. 1 player also lost. Jimmy Connors, 38, a day after winning for the first time in 17 months, was eliminated in the second round when Cristiano Caratti of Italy, ranked No. 37, beat the eight-time Grand Slam champ, 6-4, 6-3. Connors, trying to come back from wrist surgery last October, is 1-2 in matches this year.

The women's top seeds, Steffi Graf and Monica Seles, advanced to the quarterfinals. Seles beat Florencia Labat, 7-5, 6-0; Graf, who swept Marianne Werdel, 6-0, 6-1, will regain the No. 1 ranking if she wins the title and Seles loses before the finals.

Third-seeded Gabriela Sabatini, No. 4 Mary Joe Fernandez and No. 5 Zina Garrison also advanced with straight-set wins.

In men's play, top-ranked Stefan Edberg beat Goran Prpic, 6-4, 6-2; No. 4-seeded Guy Forget swept Jimmy Arias, 6-1, 6-1, and 10th-seeded Michael Chang rallied to beat Henri Leconte, 4-6, 6-3, 6-3.

Mets Offer Gooden $13.8 Million for 3 Years

New York Times Service

PORT ST. LUCIE, Florida — Dwight Gooden, the star right-hander of the New York Mets, says the team had offered him a proposal for a contract extension that would pay him $13.8 million for three years.

Gooden, who declined Monday to offer an official reaction to the proposal, has said throughout months of talks and negotiations that he is adamant about receiving a three-year deal worth at least $15 million.

The proposal is a change from the club's offer of $13 million, a package that provoked a temporary halt in negotiations. But according to a source aware of Gooden's thinking, the new deal "will not get it done."

From other spring training camps, The Associated Press reported:

● Jim Abbott, the one-handed pitcher, got his first hit in a major league uniform in Scottsdale, Arizona, a 400-foot triple in the second inning of the California Angels' 6-3 loss to the San Francisco Giants.

Abbott bats only in exhibition games against National League teams, when no designated hitter is used. He is one-for-three with a sacrifice bunt this spring. He said he was excited but "a little winded."

● Orel Hershiser of the Los Angeles Dodgers, whose comeback from surgery on his right shoulder had been progressing rapidly, was sidelined Monday in Vero Beach, Florida, with some tenderness in the shoulder.

He will take a couple days off and then a decision will be made on when he might throw again.

● Nick Esasky, the Atlanta Braves' first baseman who has a mysterious type of vertigo, played in his first game in almost a year and got a single.

Yugoslavia: The Riven Genius

International Herald Tribune

LONDON — These are disarming times for those to whom sport is an island unvisited by the troubles of the real world: During the next seven days the destiny, to a degree the culture, of soccer in the 1990s will take shape.

The heat of Europe's melting pot rises in the spring, and Yugoslavia has a finger in every pie. Now, at a time when their homeland is on the brink of dissolution, the Yugoslavs are everywhere influencing soccer's affairs.

Red Star Belgrade, originally the capital's university team, has, in my view, played the most accomplished soccer of this season's European Club Champions' Cup tournament, which Wednesday night reaches the decisive second leg of the quarterfinals.

This despite selling Dragan Stojkovic, the team's playmaker for six seasons and the 34th talented player exported by Red Star during that time. Sold for $8 million to Olympique Marseille, Stojkovic could hold the key to the night's biggest Champions' Cup match, as the French champion tries to end the European rule of a tired AC Milan.

Rob Hughes

The first leg in Milan ended 1-1. All Marseille needs to finish the job is for Stojkovic to outplay Ruud Gullit.

Just that small thing? Well, no. Stojkovic is an artist of touch and technique when in tune, but before Gullit he must tackle Raymond Gothais, who became Marseille's coach while Stojkovic was on sick leave in Belgrade.

The pragmatic Gothais will want two positive answers: Is Stojkovic physically fit for such a contest three months after surgery, and will he be able to concentrate 100 percent considering what is going on back home?

Europe's second most prestigious trophy, the Cup Winners' Cup, is in the hands of Sampdoria of Italy. No Yugoslav factor here? Are you joking?

Sreko Katenec has played a powerful part in Sampdoria's rise. And another Yugoslav, Vujadin Boskov, is the Genoa's club's mastermind.

Not only has Boskov, as coach, blended Italians, a Soviet, a Brazilian and, of course, one of his countrymen to bring Sampdoria its first European prize. He now has the team in the pole position for the Italian league championship.

He can blow hot and cold; indeed, it is a prerequisite for getting noticed in Italy. But his overview, his Yugoslav eye for strategy and technique, is a much coveted thing. And given that he keeps saying he will move on at season's end, Sampdoria's president, Paolo Mantovani, is pleading, persuading and praying that the marriage of Italian passion and Yugoslav instinct delivers the baby before June.

ON his coaching travels of nine clubs in five countries, Boskov, 60, has doubtless never known such talents in one place as when he managed Yugoslavia's national side. Nor will he have grappled with such a maze of diverse political, ethnic, linguistic and religious problems as his "home" country is having to do.

One might find it easier to eat a live snake. Yet Ivica Osim, a successor to Boskov, has made a meal of it. His side, Serb alongside Croat alongside Slovene, managed to make the game of passing a round ball look precisely like what it should be, a common joy among gifted individuals.

Osim's Yugoslavia qualified without defeat for the World Cup and reached the quarterfinals in Italy before meeting the worst of Argentina's cynicism and going out on penalties.

In three European Championship matches since then, Yugoslavia has broken the old belief that it hasn't the heart to compete away from home. Splendid 2-0 victories in Belfast and Copenghagen, and a resounding 4-1 drubbing of Austria in Belgrade, have Yugoslavia virtually the first qualifier for the 1992 European finals.

The match scheduled for next Wednesday against Northern Ireland would surely confirm that. Having been moved from Skopoje in the Macedonian republic to Belgrade, and the Irish having been told their safety is "assured," the match is on.

But what assurance is there for Osim, whose players are scattered across six European lands? Well, he has, of course, the Red Star team, which by itself would outclass Northern Ireland.

As Robert Prosinecki, the dynamic young midfielder, observed a month ago: "We believe we can win the European Cup for the first time. We have a lot of fine players — Savicevic, Pancev, Sabanadzovic, Yugovic, Stosic, Belodedic . . ."

He seemed to have covered much of the talent there. Of course, at 21, Prosinecki wasn't going to get involved in the fractious calls for some of those players to abandon Yugoslavia and proclaim loyalty to their ethnic roots.

Prosinecki, for example, began his career at Dinamo Zagreb. The team will henceforward be Croatia Zagreb, Dinamo having been denounced as "an anachronistic Bolshevik name."

CROATIA'S other famous club, Hadjuk Split, last year recruited the American player Desmond Armstrong. He arrived just before the newly separated Croatian soccer federation's team beat the U.S. squad, 2-1, in October.

The split widened a week ago when the Croatian federation's president, Mladen Vedris, said, referring to the two people killed and 80 injured in anti-Communist riots in Belgrade, that "we want nothing to do with the part of the country where police shoot in the streets."

That is one political divide that might rend Osim's unity. There are more, many more. Red Star's Darko Pancev, for example, a mercurial goal scorer who got a memorable hat trick against Austria last fall. Pancev may leave Belgrade for Fiorentina this summer, but even there he may hear the call from his home republic, Macedonia in the south.

The divides are so great that perhaps the miracle of this small nation is that it ever can produce a collective goodwill.

Yugoslavia is tantalizingly close to becoming the Brazil of European soccer. Indeed, while Osim pulled Yugoslavs together, Brazil, with six times Yugoslavia's population of 23 million, lost much faith in the beauty of its game and allowed disorganization, violence and insolvency to threaten the mold.

In Yugoslavia, more than a national sport is at risk. "Sometimes I think how many good players I have to choose from," Osim said two years ago. "In reality, it is extremely difficult to unite them. To me, soccer is an ocean: Now it is calm, now come the waves."

Depending on the turbulence, he added, "Our team always promised more than it produced. The goal of my training generation is to reverse the process."

Rob Hughes is on the staff of the Sunday Times.

BOOKS

FLIGHT OF THE AVENGER: George Bush at War

By Joe Hyams. 240 pages. $16.95 Harcourt Brace Jovanovich, 1250 Sixth Avenue, San Diego, Calif. 92101.

Reviewed by Jonathan Yardley

GEORGE Herman Walker Bush is probably the least likely candidate for hagiography since, oh, Elvis Aron Presley, but he's got his full share of it now. "Flight of the Avenger," an account of Bush's service in the Pacific during World War II, is the Republicans' answer to "PT-109": a piece of campaign puffery that seeks to transform Bush's military performance, which most certainly was purposeful and courageous, into something it was not — the stuff of heroic legend.

Bush's story has never been so widely known as John F. Kennedy's and, up to now at least, hasn't been so blatantly exploited for political purposes; indeed Bush's relative modesty about his wartime exploits is one of the more attractive aspects of a political persona that otherwise leaves much to be desired. But now, for whatever reason, Bush has cooperated with Joe Hyams in the making of "Flight of the Avenger," a piece of pulp nonfiction that, though not wholly without value, rarely rises above the level of cheap melodrama.

This is too bad, because what Bush accomplished deserves a better telling. Barely 20 years of age, he was a lieutenant junior grade in the Navy who had survived all the rigors of pilot training — described herein with considerable detail, much of it interesting — and had been assigned to fly an Avenger, "the biggest single-engine carrier-based plane in the Navy." On Sept. 2, 1944, with a crew of two, he made a successful attack on a Japanese radio tower transmitter on Chichi Jima, not far from Iwo Jima, but his plane was shot down; the other crew members were lost, but Bush managed to stay afloat in his life raft and was rescued by an American submarine about three hours later. That's it: no heroics, just an airman doing his job precisely as he'd been trained and managing to come out of it alive.

Hyams starts out by transforming the raw material of a magazine article into a full book by padding it out with familiar material about Bush's family background and his childhood. He throws in a lot about Bush's courtship of Barbara Pierce and lingers over every available detail about the privileged lives the two enjoyed.

Privileged, that is, but down to earth. Hyams is here to tell us that George Bush may have been born with a silver spoon in his mouth, but he was just a regular guy. All of which no doubt is true, but when it is served up in high-calorie doses, it quickly becomes more than the reader can stand. The cumulative effect, rather than either humanizing or idealizing Bush, is somehow diminishing; it makes him seem the artificial stuff of Hollywood publicity or of the movie-star autobiographies on which Hyams often collaborated in his early career.

The truth is that Bush had an honorable and distinguished war career that can speak for itself without benefit of testimonials or hyperbole. In 1,228 hours of flying time, he made 126 carrier landings, flew 58 missions and won a chestful of medals, chief among them the Distinguished Flying Cross. What he learned in the Pacific no doubt was invaluable to him in the prosecution of the war in the Gulf, and we should be grateful that he had the experience; a leader untested by war might well have been more rash, more eager to put the lives of others on the line. To the extent that it underscores the point, "Flight of the Avenger" is useful, but that is about as much as can be said for it.

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	HEARTBEAT, by Danielle Steel	1	4
2	FORGIVING, by LaVyrle Spencer	3	5
3	COLD FIRE, by Dean R. Koontz	2	8
4	THE EAGLE HAS FLOWN, by Jack Higgins		1
5	THE PLAINS OF PASSAGE, by Jean M. Auel	6	22
6	MAGIC HOUR, by Susan Isaacs	4	6
7	THE OLD CONTEMPTIBLES, by Martha Grimes	7	5
8	CIRCLE OF FRIENDS, by Maeve Binchy	11	8
9	POSSESSION, by A.S. Byatt	9	13
10	BATTLEGROUND, by W. E. B. Griffin	8	8
11	SILVER, by Ira Levin		1
12	THE FIRM, by John Grisham		1
13	THE SECRET PILGRIM, by John le Carré	5	10
14	THE DRUID OF SHANNARA, by Terry Brooks		1
15	THE STORIES OF EVA LUNA, by Isabel Allende		2

NONFICTION

1	AND THE SEA WILL TELL, by Vincent Bugliosi with Bruce B. Henderson	2	5
2	IRON JOHN, by Robert Bly	1	17
3	THE PRIZE, by Daniel Yergin	3	7
4	THE NEXT CENTURY, by David Halberstam	10	2
5	A LIFE ON THE ROAD, by Charles Kuralt	4	18
6	YOU JUST DON'T UNDERSTAND, by Deborah Tannen	6	32
7	MILLIE'S BOOK, as dictated to Barbara Bush	5	25
8	MAKE ROOM FOR DANNY, by Danny Thomas with Bill Davidson		3
9	THE CIVIL WAR, by Geoffrey C. Ward with Ric Burns and Ken Burns	8	23
10	PATRIMONY, by Philip Roth	7	8
11	THE NEW RUSSIANS, by Hedrick Smith	13	9
12	THE SPIRITUAL LIFE OF CHILDREN, by Robert Coles	9	9
13	THE JAPAN THAT CAN SAY NO, by Shintaro Ishihara	11	5
14	BREAKING BARRIERS, by Carl T. Rowan		2
15	DARKNESS VISIBLE, by William Styron	14	21

ADVICE, HOW-TO AND MISCELLANEOUS

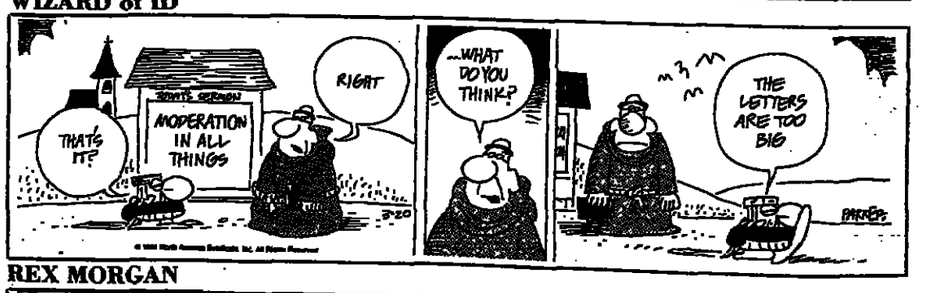
1	FINANCIAL SELF-DEFENSE, by Charles J. Givens	2	15
2	HOMECOMING, by John Bradshaw	1	31
3	WEALTH WITHOUT RISK, by Charles J. Givens	5	102
4	FIND WALDO NOW, by Martin Handford	4	15
5	THE GREAT WALDO SEARCH, by Martin Handford		63

PEANUTS

BEETLE BAILEY

ANDY CAPP

WIZARD of ID



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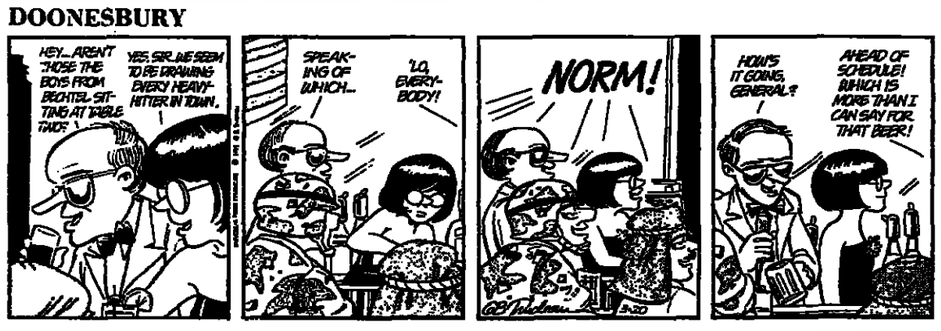

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PARVO
RIMPE
NESING
SLIZZE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( )

(Answers tomorrow)

Yesterday's Jumbles: PAGAN FLOOR DEPUTY WEDGED
Answer: What you can usually count on in a pinch— THE PADDY WAGON

BLONDIE

GARFIELD

هكذا من الاصل

صكنا من الاجل

SPORTS

Post-Bout Bout: Referee Gives Fight to Tyson, Ruddock Backers Riot

Nick Ut/The Associated Press

Tyson landed a left to Ruddock's chin in the first round and knocked him down in both the second and third rounds. Ruddock was rallying when the fight was stopped.

By Phil Berger
New York Times Service

LAS VEGAS — Controversy again.

Two minutes, 22 seconds into the seventh round of his scheduled 12-round bout against Donovan (Razor) Ruddock, Mike Tyson was declared the winner Monday night when the referee, Richard Steele, stopped the fight.

Steele's call came after Tyson had hit Ruddock with a right and two lefts that caused Ruddock to stumble backward toward the ropes near his corner. Without consulting Ruddock, Steele waved an end to the bout, igniting a small riot in the ring as supporters of both fighters rushed through the ropes.

As Ruddock exclaimed, "What?" when Steele called an end to the bout, Ruddock's promoter, Murad Muhammad, and Ruddock's brother, Delroy, were angered enough to charge into the ring shouting in protest.

Other Ruddock partisans climbed over ringside tables, scrambling through the ropes. Punches were exchanged between members of both corners before order was restored by the security people of the Mirage, site of the bout.

It was the second time in the last year that Steele had been at the center of a controversy at the end of a major fight.

Last March, he stopped a junior welterweight title bout between Meldrick Taylor, the International Boxing Federation champion, and Júlio César Chávez, the unbeaten World Boxing Council champion, with only two seconds left in the 12-round bout.

Taylor, who was being pounded by Chávez, was leading comfortably at the time.

That decision engendered much criticism of Steele. Muhammad had objected to Steele's being referee Monday night because Steele is also a pit boss at the Golden Nugget, which is part of the same corporate entity as the Mirage, which staged this fight.

Presumably, Muhammad thought that the Mirage had more of a vested interest in Tyson and that Steele might be influenced by this.

Steele explained his decision by saying of Ruddock: "The guy was hurt. There was no need of me counting him out. Why should I? My job is to stop him from getting seriously hurt."

But Ruddock said: "This was the worst refereed fight I've ever seen. I wasn't even hurt and he stopped the fight. Tyson fought the dirtiest fight of his life. Elbows, low blows, hitting after the bell. And what did Steele do? Nothing. That's why we complained about this referee to the commission."

Muhammad, while apologizing for the post-fight melee, was adamant.

"Richard Steele did everything we thought he would do," he said. "We were convinced to keep quiet. We thought he'd do what he did. We'll file a protest."

When Steele was asked why he had not at least spoken to Ruddock to ascertain his condition, he said, "I saw he wasn't O.K."

Tyson, who was ahead by the same score of 59-53 on the scorecards of all three judges, had dominated the bout. He was particularly effective with left hooks to the ribs and to the body, and with both hands to Ruddock's head.

Tyson scored two knockdowns, the first in the second round after he hit Ruddock in the elbow and Ruddock got his feet tangled and fell. The second came a round later and was more definitive.

As for the controversy surrounding the finish of the bout, Tyson said: "I can't judge if the fight was stopped too soon. I can't judge for Richard Steele. But I would have liked to put Ruddock out."

From early in the bout, Ruddock was breathing heavily from the pressure Tyson put on him.

In fact, Tyson recalled later, "after the third round, I said to myself, 'He's not that bad but he's never been in with someone like me' "

But Ruddock, who is ranked No. 2 by all the major governing bodies, made a fight of it, just when it appeared he was on his way to being finished by Tyson.

In the sixth round, he scored with several thudding left hooks and left uppercuts — punches that roused the crowd and had them chanting, "Ra-zor Ra-zor, Ra-zor."

Referee Errs On 2 Counts

The Associated Press

NEW YORK — In a post-fight radio interview, referee Richard Steele argued that Ruddock quit in a bout that Steele apparently thought was to go 10 rounds.

"If he was so much in control why would he give me his mouthpiece?" Steele said in an interview with WFAN in New York. "If he was so surprised why did he give me his mouthpiece? The kid surrendered."

But replays showed Ruddock giving Steele his mouthpiece only after the fight was stopped.

"He was fighting a 10-round fight and taking punishment in every round," Steele said.

When corrected by the interviewer, Steve Summers, and told that the bout was scheduled for 12 rounds, Steele said: "You don't know what you're talking about. A 12-round fight is a championship fight. This was nothing but a simple 10-round fight."

He added: "People just get out of hand because of the simple fact that they just don't understand the sport of boxing. They must come to see someone get hurt seriously or death."

It's the NCAA's Tried and True That Come Through

By Anthony Cotton
Washington Post Service

WASHINGTON — Before the start of the 64-team National Collegiate Athletic Association's college basketball tournament, Louisiana State's coach, Dale Brown, suggested that those seeking a dark horse keep their eyes on Mississippi State.

"They could beat UCLA in the second round and then look out," Brown said.

Unfortunately for Brown's reputation as a prognosticator, Mississippi State, like LSU a member of the Southeastern Conference, was beaten by even more unheralded Eastern Michigan in the opening round and the Bruins lost to Penn State in their first game.

LSU also bowed out in its opener, falling to Connecticut. With Georgia's loss to Pittsburgh and Vanderbilt's loss to Georgetown, the Southeastern Conference had four of its five entrants eliminated in the first two days of play. Alabama, which plays Arkansas in the Southeast Regional semifinal, is the only school carrying the league's banner.

Although the SEC fell far short of expectations this year, the conferences that are generally recognized for their abundance of basketball talent are well represented among the surviving 16 teams in the tournament.

The Big East still has three — Seton Hall, St. John's and Connecticut — in the running. The Atlantic Coast Conference has two, North Carolina and Duke, as does the Big 10, with Ohio State and Indiana, and the Big Eight, with Kansas and Oklahoma State.

Despite all the attention given to upset winners, such as Eastern Michigan, a member of the Mid-American Conference, or Richmond, a Colonial Athletic Association school that eliminated second-seeded Syracuse, the Big East regular-season champion, there is little surprise that most of the final 16 teams come from powerful leagues.

After all, when a team spends more than two months butting heads twice a week in competitive leagues, the NCAA tournament offers little more in the way of increased pressure.

"Texas is like a Big East team, but we play teams like that every day," said St. John's forward Billy Singleton, after his team beat the Longhorns, 84-76, in the second round.

Singleton said that simply playing outside the conference provided something of a respite. While that may not be exactly true, there is no question that teams that have to overcome high-quality opposition on a regular basis stand a better chance in the NCAA tournament than teams that are relatively inexperienced in pressurized games.

Northern Illinois, which St. John's defeated in the opening round, is one such school. The Huskies, a member of the Mid-Continent Conference, were making their first NCAA appearance in nine years. To alleviate some of his players' anxiety about facing the Redmen, the Huskies' coach, Jim Molinari, showed them highlights of their early season victory over DePaul, which defeated St. John's in its last regular-season game.

On the Huskies' first two possessions Friday, Molinari set up shots for his star point guard, Donald Whiteside. Each time, having a wide-open 3-point shots, Whiteside passed.

Similarly, the rest of the Huskies played timidly, allowing St. John's to outmuscle them and establish dominance in what became a 75-68 victory for the Redmen.

"We were a little scared of them," Molinari acknowledged afterward.

On Sunday, Ohio State, the region's top seed, did not score a point in a three-minute span late in its Midwest Regional game against Georgia Tech. Ohio State had also missed 11 of 19 free throws at that point.

However, the Buckeyes allowed Georgia Tech only one point during that stretch and made seven of eight free throws in the closing 30 seconds to secure a 65-61 triumph.

"I truly believe all the close games we've played this year was why we won," said Mark Baker, an Ohio State guard. The Buckeyes won their last seven games before the tournament by an average of just 4.2 points.

"We've learned, and we still know how, to find ways to win," Baker added.

Bob Galbraith/The Associated Press

A pudgy Roberto Duran didn't last six rounds against Pat Lawlor.

Chávez and Brown Win Titles in Other Bouts

New York Times Service

LAS VEGAS — Júlio César Chávez, the International Boxing Federation-World Boxing Council junior welterweight champion, stopped John Duplessis at 2 minutes, 42 seconds of the fourth round of their scheduled 12-round bout at the Mirage.

The end unfolded as Chávez cornered Duplessis and hit him with a hard right to the head, threw two glancing lefts to the head, then drove a by-then reluctant Duplessis through the ropes with a right to the ribs.

Referee Carlos Padilla decided Duplessis had had enough and waved an end to the bout. Duplessis protested, but without conviction.

It was the second knockdown, the first coming in the second round when Chávez floored Duplessis with a left hook to the ribs.

Chávez is undefeated in 74 fights, 61 won by knockout. Duplessis is 36-2 with 25 knockouts.

In another bout, Simon Brown, the International Boxing Federation champion, stopped Maurice Blocker, the World Boxing Council champion, at 2 minutes, 10 seconds of the 10th round of a welterweight unification bout.

Brown caught Blocker with a right to the head and then a left that sent Blocker sprawling onto the seat of his trunks.

In an earlier bout, Roberto Duran, the former world champion, lost to Irish Pat Lawlor when Duran's shoulder was injured at 1:50 of the sixth round and the bout was stopped.

Lawlor, a fighter of limited skills, was outboxing the pudgy Duran when Duran suddenly clutched his left arm and bent over.

Bubka Vaults to New World Mark

Agence France-Presse

MOSCOW — Sergei Bubka of the Soviet Union extended his indoor world pole vault record to 6.11 meters at a meet Tuesday in Donetsk in the Ukraine.

It is the 23d time he has set a world record.

At the world indoor championships in Seville, Spain, this month, he became the first vaulter to clear 6.10 meters, or 20 feet. He set the outdoor record of 6.06 meters in Nice, France, on July 10, 1988.

SIDELINES

Lazio Says Gascoigne Agrees to Pact

ROME (AP) — Lazio of Rome has tentatively agreed to a contract that would bring English midfield star Paul Gascoigne to Italy for at least three years and the player has agreed to the transfer, a team official said Tuesday.

Carlo Regalia, general manager of the Italian first division club, said the contract had been negotiated with the player's agents and with officials of the Tottenham club for which Gascoigne now plays. He said the contract still must be given final approval by the parent company of the English club, which is in the middle of a takeover battle.

• A High Court judge in London on Tuesday ordered the Reading soccer team to pay damages of £265,118 ($472,000) to five police officers injured in a fans' riot at a 1984 match against Bristol City. *(Reuters)*

Kings Tie NBA Mark for Road Losses

DALLAS (AP) — The Sacramento Kings have tied the National Basketball Associations' single-season record with their 28th consecutive road loss, a 104-86 defeat by the Dallas Mavericks.

Previous losers of 28 straight on the road in one season were the 1974-75 New Orleans Jazz and the 1989-90 New Jersey Nets.

SCOREBOARD

BASKETBALL

NBA Standings

	W	L	Pct	GB
EASTERN CONFERENCE				
Atlantic Division				
x-Boston	49	17	.742	—
Philadelphia	36	29	.554	12½
New York	32	33	.492	16½
Washington	28	41	.359	25
New Jersey	21	44	.323	27½
Miami	20	45	.308	28½
Central Division				
x-Chicago	49	15	.766	—
x-Detroit	41	25	.621	9
Milwaukee	39	27	.591	11
Atlanta	36	29	.554	13½
Indiana	32	34	.485	18
Cleveland	23	41	.359	26
Charlotte	19	45	.297	30
WESTERN CONFERENCE				
Midwest Division				
	W	L	Pct	GB
x-Utah	42	22	.656	—
San Antonio	41	22	.651	½
Houston	40	24	.625	2
Dallas	24	40	.375	18
Minnesota	23	42	.354	19½
Orlando	21	43	.328	21
Denver	18	47	.277	24½
Pacific Division				
x-Portland	47	17	.734	—
x-L.A. Lakers	47	18	.723	½
x-Phoenix	45	20	.692	2½
Golden State	34	30	.531	13
Seattle	28	34	.449	17
L.A. Clippers	23	42	.354	24½
Sacramento	18	45	.286	28½
x-clinched playoff berth				

MONDAY'S RESULTS

Orlando	25	19	21	36—91
Philadelphia	28	17	34	30—89

Scott 8-33 4-8 22, J. Turner 7-13 2-2 19; Bartley 11-20 2-2 24, Hawkins 5-12 11-11 21. Rebounds: Orlando 51 (Turner 11), Philadelphia 62 (Anthony 15). Assists: Orlando 19 (Skiles 9), Philadelphia 28 (Green 7).

Sacramento	16	15	25	38—86
Dallas	25	19	27	33—104

Simmons 5-17 9-14 19, Carr 6-18 2-3 14, Cruswell 5-8 4-5 14; Blackman 11-15 9-11 31, Harper 4-9 10-15 18. Rebounds: Sacramento 49 (Simmons 10), Dallas 63 (McCray 18). Assists: Sacramento 18 (Lee 6), Dallas 17 (Harper 5).

Denver	28	26	17	35—106
Chicago	24	34	35	28—121

Woolridge 7-13 7-7 21, Adams 6-18 5-6 17; Jordan 13-19 7-7 31, Pippen 6-16 4-4 16. Rebounds: Denver 52 (Rasmussen 9), Chicago 60 (Pippen 11). Assists: Denver 26 (Adams 18), Chicago 33 (Armstrong 9).

Indiana	26	28	28	21—103
Phoenix	23	37	25	26—111

Miller 6-21 8-10 20, Schrempf 8-16 3-4 20; Chambers 8-15 5-6 21, Hornacek 8-12 2-3 20. Rebounds: Indiana 53 (Schrempf 10), Phoenix 63 (McDaniel 14). Assists: Indiana 27 (Fleming 7), Phoenix 29 (Johnson 15).

NIT Results

SECOND ROUND, MONDAY

Providence 85, West Virginia 79
Oklahoma 89, Cincinnati 81, OT
Stanford 88, Wisconsin 72
Southern Illinois 72, Southwest Missouri St. 69
Arkansas State 78, Memphis State 57
Colorado 83, Wyoming 75

NAIA Championship

Monday, in Kansas City
Oklahoma City 77, Central Arkansas 74

BASEBALL

Exhibition Games

MONDAY'S RESULTS

New York Mets 4, Atlanta 2
Cincinnati 5, Los Angeles 1
Pittsburgh 15, Minnesota 5
St. Louis 13, Philadelphia 3
New York Yankees 2, Montreal 0
San Francisco 6, California 3
Seattle 6, Cleveland 0
Milwaukee 10, Oakland 4
Chicago Cubs 11, San Diego 9
Chicago White Sox 6, Toronto 6
Houston 5, Detroit 4
(ss denotes split-squad games)

TRANSACTIONS

BASEBALL
American League

CLEVELAND—Sent Jeff Mutis and Steve Cummings, pitchers, to Colorado Springs, Pacific Coast League; Tom Kramer, pitcher, to Canton-Akron, Eastern League; Eric Bell and Jeff Bittiger, pitchers; Mark Lewis, infielder; and Mitch Lyden, catcher, to minor league camp for reassignment. Released Jeff Musselman, pitcher.

MINNESOTA—Sent Orlando Lind and Denny Neagle, pitchers; Joey Meyer, first baseman; and Joe Siwa, catcher, to minor league camp for reassignment.

National League

CHICAGO—Released Jeff Pico, pitcher.

PHILADELPHIA—Sent Kim Batiste, shortstop; Tony Longmire and Julio Peguero, outfielders; Amelio Correno and Chuck Malone, pitchers; to Scranton-Wilkes-Barre, International League; Jeff Grotewold, Sal Agostinelli and Doug Lindsey, catchers; and Louie Meadows, outfielder, to minor league camp for reassignment.

ST. LOUIS—Sent John Ericks and Mark Clark, pitchers; Joey Fernandez, Mike Ross, Greg Carmona, Ray Silver and Julian Martinez, infielders; and Jose Fernandez and Ed Folton, catchers, to minor league camp for reassignment.

SAN FRANCISCO—Sent Rafael Novoa, Mike Remlinger, Jimmy Williams, pitchers; and Andres Santana, infielder; to Phoenix, Pacific Coast League; Jimmy Myers and Kevin Rogers, pitchers; and Scooter Tucker, catcher; to Shreveport, Texas League; and Jim Wilson, infielder, to minor league camp for reassignment.

FOOTBALL
National Football League

MIAMI DOLPHINS—Signed Eric Sievers, tight end.

SAN DIEGO—Signed Bobby Humphrey, cornerback.

World League of American Football

LONDON—Released Max Zendejas, kicker; Rickey Royal, cornerback; Nua Faaola, fullback; Richard Huff, free safety; Tony Manu and Cammie Collins, linebackers; Jeff Fryar, tackle; Adrian Kearney, wide receiver; and Steve Fuesi, flanker and. Put Mickey Guidry, quarterback, on practice reserve squad.

HOCKEY
National Hockey League

ST. LOUIS—Recalled David Bruce, right wing, from Peoria, International Hockey League.

COLLEGE

AUBURN—Mel Rosen, men's track and field coach, retired effective at end of season.

BUCKNELL—Lori Howard, women's basketball coach, resigned.

CENTRAL MICHIGAN—Charlie Coles, men's basketball coach, resigned.

EASTERN MONTANA—Ernie Wheeler, men's basketball coach, resigned.

FLORIDA STATE—Steve Winterling, assistant baseball coach, resigned to become coach at Pasco-Hernando Community College.

FORT HAYS STATE—Bill Morse, men's basketball coach, resigned.

KENTUCKY—Tommy Limbaugh, assistant football coach, resigned.

LOUISIANA STATE—Named Thielen Smith linebacker coach.

NEW YORK TECH—Faith Colter, women's basketball coach, resigned.

OHIO STATE—Named Jerry Sullivan and Larry Coyer assistant football coaches.

ST. MARY'S, CALIF.—Named Ernie Kent men's basketball coach.

TENNESSEE—Named Steve Pederson recruiting coordinator.

TEXAS-SAN ANTONIO—Signed Bobby Thompson athletic director; Stu Starner, men's basketball coach, and Mary Ann McLaughlin, women's basketball coach, to three-year contracts.

TEXAS TECH—Gerald Myers, men's basketball coach, resigned.

VIRGINIA—Named Mike Archer linebackers coach and Jim Bolman offensive line coach.

TOLEDO—Jay Eck, men's basketball coach, resigned.

VIRGINIA TECH—Reassigned Frankie Allen, men's basketball coach, to assistant athletic director.

WEBER STATE—Fired Denny Huston, men's basketball coach.

WESTERN OREGON STATE—Named Bill McArthur football coach.

HOCKEY

NHL Standings

	W	L	T	Pts	GF	GA
WALES CONFERENCE						
Patrick Division						
Pittsburgh	38	30	5	81	311	274
N.Y. Rangers	34	28	12	80	272	248
Philadelphia	32	33	9	73	237	243
Washington	33	33	6	72	234	241
New Jersey	30	31	12	72	253	242
N.Y. Islanders	23	41	10	56	210	278
Adams Division						
x-Boston	41	23	9	91	269	242
x-Montreal	37	28	10	84	280	234
x-Hartford	31	34	9	71	227	247
x-Buffalo	27	29	17	71	262	255
Quebec	14	47	12	40	205	325
CAMPBELL CONFERENCE						
Norris Division						
x-Chicago	45	22	6	96	257	192
x-St. Louis	40	22	11	91	286	239
x-Detroit	33	34	8	74	260	274
x-Minnesota	26	34	14	66	239	244
Toronto	21	44	9	51	223	300
Smythe Division						
x-Calgary	43	24	7	93	316	238
x-Los Angeles	42	23	9	93	313	233
x-Edmonton	34	34	5	73	246	245
Vancouver	26	41	9	61	233	302
Winnipeg	25	40	11	61	251	276
x-clinched playoff berth						

MONDAY'S RESULT

Winnipeg	2	0	1	1—3
Calgary	0	2	1	1—4

Steen (18), Cole (12), Olczyk (29); Fenton (13), Stern (3), Otto (18), Wilson (11). Shots on goal: Winnipeg (on Womsley) 12-10-10-6—32. Calgary (on Essensa) 11-14-10-2—37.

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(Continued From Back Page)

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OBSERVER

The National Insecurity

By Russell Baker

NEW YORK — A man who has worked at the New York Times building for 30 years couldn't get into the building the other day. He didn't have his new identification card. Our guards are under orders to keep such people out.

After inducing highly placed officials to swear to his good character he was ultimately allowed to pass through to his office.

Long before "security" became a billion-dollar business complete with experts and consultants, I worked for a newspaper whose main door was guarded by a receptionist famed for her ability to turn away people trying to get into the newsroom.

She was so fearsome that, rather than submit to her terrifying scrutiny, the reporters and editors all used a tiny unguarded back elevator. So did every nut in town. It was said that on one occasion the managing editor, a Mister Dorsey, forgot himself and came to the front entrance.

A moment later, the phone rang on the city desk upstairs. It was the receptionist. "There's a man down here who says he is Mister Dorsey," she reported. "Shall I let him come up?"

□

This story had probably improved during many retellings by the time I heard it in explanation of why everybody used the back elevator, but it contains essential truth about today's inescapable security barricades: They are better at keeping out people who ought to be getting in than they are at keeping the bad guys from sneaking up on back elevators.

The point is that the worst of the bad people will view "security" as a challenge, will scheme to find a way into the citadel, and will often succeed, while people with something valuable to bring in get turned away for lack of a badge.

Whenever criminal ingenuity defeats "security" in some calamitous incident, such as the Kennedy assassination in Dallas or the Pan Am bombing over Scotland, "security" failure is blamed.

Improved "security" is prescribed. We have grown a "security" bureaucracy to improve it.

And so ever more money is spent for ever more "security." More "security" consultants, experts, advisers and guards are hired. Concrete barricades rise around public buildings. New machinery is purchased to X-ray this and that. Metal detectors proliferate. Dossiers expand in computer files.

Geezers with 30-year histories in their companies' service are stopped at the factory door for not wearing plastic cards with up-to-date mug shots.

□

Yet the more "security" we pay for, the less secure we are. Washington frets constantly about the national security, but it's the national insecurity that needs worrying about. How bad is it?

During the Iraq war, so many Americans were afraid to fly that the airlines nearly went broke. That, friend, is national insecurity. Neither years of constantly improved airport "security" nor better-than-ever detection devices availed against this fear of flying.

It turned out that the United States's air travelers simply didn't believe in "security." What they did believe in, apparently, was the ability of resolute and ingenious malefactors (in this case, presumably terrorists loyal to Saddam Hussein) to sneak up the back elevator.

The search for perfect security has uglified Washington. If you hadn't seen the city since the Eisenhower days, when it was an open and hospitable place, it might now strike you as a bit hostile, closed, fortress-like.

The last time I was there, I felt under suspicion whenever venturing inside public buildings I had once roamed freely. Uniforms everywhere. Ugly concrete excrescences. Barricades, metal detectors, official guns. There was an air of penitentiary about the place.

No, I don't think all of this police and prison apparatus can be safely abandoned. It's too easy nowadays to publicize yourself by doing loathsome deeds, so our century's weird human impulse to become notorious necessitates some "security."

A little common sense might improve matters, though. To start we might concede that total security is attainable only inside a perfect prison, and that freedom is a risky business which cannot succeed inside a lifetime-guaranteed safety suit shielding us against the luck of the day.

New York Times Service

Star Wars: Hollywood Book Causes Furor

By Larry Rohter
New York Times Service

LOS ANGELES — Julia Phillips was so certain her memoirs would offend the Hollywood Establishment that she entitled them "You'll Never Eat Lunch in This Town Again."

But when she walked into the Polo Lounge of the Beverly Hills Hotel on a recent Monday afternoon, she was graciously ushered to a quiet booth with a commanding view of that day's wheeling and dealing.

"I moved a king for you today," the maître d'hôtel told her, nodding toward an Asian man a few tables away. The woman who with her husband and partner Michael Phillips produced some of the most memorable films of the 1970s, including "Taxi Driver," "Close Encounters of the Third Kind" and "The Sting," beamed and presented her benefactor with an autographed copy of her book.

Elsewhere in Hollywood, though, where Phillips's profane, no-holds-barred recounting of that heady era has become a main topic of conversation, the reception has not been so kind.

She has been threatened with lawsuits, ignored by business associates she has known for 20 years, and banned, she said, from the favorite dining haunts of the Hollywood elite, none of which has surprised her.

"These are all people who wake up in the morning, look in the mirror and say, 'Are they going to find out I'm a fraud today?'" Phillips said, as she nursed a vodka. "That's about 90 percent of the town, which is why they've been so fearful and so nasty."

Though Phillips, the first woman to win an Academy Award as a producer, may be barred from the executive suites and restaurants she once frequented, her new book, published by Random House, is definitely not.

"It's the fastest-selling title in the 15-year history of this store," said Glenn Goldman, owner of Book Soup, a bookshop on Sunset Boulevard with a large Hollywood clientele.

Very few of the actors, directors and producers who have sent their gofers to pick up a copy of "You'll Never Eat Lunch in This Town Again" can be happy with what they read.

Phillips said that more than 20 people signed releases or affidavits after reading their portrayals and that some passages were removed on advice of the lawyers for her publisher. But the material that remains is the stuff of a Hollywood publicity agent's nightmare.

Goldie Hawn, one of the chums Phillips collected after she won her Oscar in 1974 for "The Sting," has the "cute laugh and the heart made of stone" but is "borderline dirty, with stringy hair — all the time."

Bart Bartholomew for The New York Times

Julia Phillips dining at the Polo Lounge, despite her book title.

Paul Newman is "seriously weird" and "has holes in his head." Of the novelist Erica Jong, whose "Fear of Flying" Phillips tried to make into a movie, she says, "It is remarkable how much she looks like Miss Piggy when her face is in repose."

Warren Beatty, on the other hand, is so "priapic" that when he learns Phillips has a teen-age daughter, he suggests "what about you and me and your daughter," to which Phillips said she replied, "We're both too old for you."

She quotes the producer David Geffen as calling her former best friend Steven Spielberg "selfish, self-centered, egomaniacal, and worst of all — greedy," and adds that she thinks it is "a pretty good description."

Phillips' toughest shots, however, are reserved for Geffen and the other moguls who really run Hollywood. Geffen, who owns $780 million worth of stock in MCA and produces films, plays and records, is the "most money-obsessed person I know," the "Donald Trump of Show Business," with a "collagened face" that makes him look like a "middle-aged baby."

The superagent Michael Ovitz is "the Valley viper," who deigns to concern himself with events in the outside world "only if there is a two-picture deal for one of his clients."

Aaron Spelling, the television powerhouse whose contributions to Western culture include "Charlie's Angels," "was obsequious to the point of becoming one giant can of Crisco, he was so oily."

The producer Ray Stark, long the power behind the throne at Columbia Pictures, has "jagged, yellowing teeth" that "emphasize the molelike aspects of his demeanor."

A spokesman for Spielberg said the director was "totally involved in shooting" his new movie and would have nothing to say about the book. The spokesman, Marvin Levy, added: "There's not a lot anyone can say. She's an interesting lady."

Geffen's office did not return a reporter's call for comment. But he told the Los Angeles Times, "People are aghast that she would write such an ugly, mean-spirited book."

Phillips, who will turn 47 next month, blames "the suits" for what she called Hollywood's "meanness, ruthlessness and nastiness in the '80s, which wasn't there before.

"There were games before, there were a lot of players before, but there wasn't this abrasiveness and lack of breeding, as my mother would say. When I started, there were people who wanted to do great things."

That supposed decline of standards explains, she says, her de facto banishment from chic restaurants where Hollywood luminaries like to conduct business over lunch. In the old days, "you would be in a booth like this, and right next to you would be a guy you had fired," she recalled. "The whole drama was: How are people going to behave in public with those who everyone knew they were at war? Everybody was gracious."

Nowadays, in contrast, "it has reached the point where people who are offended by my book have to seek to have me banned from restaurants because they are afraid they are going to run into me and don't know how they are going to deal with it."

Phillips, who grew up in a family of intellectuals in New York and graduated from Mount Holyoke College, doesn't spare herself either, particularly on the subjects of romantic entanglements after her divorce from Michael Phillips and her use of drugs.

The night she and her husband won their Oscar, she confesses, she was high on "a diet pill, a small amount of coke, two joints, six halves of Valium, which makes three, and a glass and a half of wine," a level of consumption that soon would be exceeded and derail her career.

On another occasion, she snorted cocaine at a business meeting, laying it out in lines on the table in front of nonplused film executives.

Eventually, she became a freebase addict, walking away from a partnership with Stark after he was unable to provide her with an office that had a private bathroom in which she could cook and smoke her drugs. In the 1980s, she produced only one movie, "The Beat," and that was a flop.

Phillips said she was still an addicted personality, only "now I'm addicted to writing and exercise." She is writing a novel whose starting point is the material she was forced to cut from her memoirs for legal reasons, and hopes to make enough money to "move to the south of France."

She also said, with some amusement, that she has had an inquiry from a director interested in acquiring the movie rights to her memoir.

"The giant Hollywood U-turn is starting to happen," she said. "My friend Sue Mengers" — an agent whom Phillips describes in the book as "evil" and encumbered by "fat thighs" — called over the weekend and said, "'Honey, I predict movie offers in three weeks.' In a supreme burst of masochism, that could just happen."

PEOPLE

Lawrence Welk Sticks Up For American Taxpayer

Lawrence Welk, 88, the father of "champagne music," said in a letter made public this week that he would rather see private money, not a $500,000 federal grant, used to restore his boyhood North Dakota home. His letter was distributed by the National Taxpayers Union, a private nonprofit group that has been critical of the project. Many in Congress see the proposal as typical of wasteful federal spending. Although the money was approved last year, the U. S. House of Representatives voted March 7 to ban the expenditure. The Senate will vote this week. "If Lawrence Welk himself wasn't in favor of federal funding for this project, it is all the more incomprehensible why Congress approved the funds," said James Davidson, of the taxpayers group.

□

Paris's Opéra Bastille has postponed an international singing competition for two years because of government budget cuts prompted by the Gulf war, an opera house spokeswoman said. Marie-Thérèse Aulas said the competition, scheduled for May 2-13, has been postponed until May 1993. Aulas said the Culture Ministry had directed all the capital's state-supported theaters and opera houses to trim costs this year after the ministry's budget was cut by 165 million francs (about $30 million). About 100 young singers, aged between 18 and 33, had been invited to take part in the competition.

□

The playwright Henry Hwang and the actor B. D. Wong were awarded a special advocacy prize in Beverly Hills, California, for protesting the casting of a white actor to play a Eurasian pimp in the Broadway musical "Miss Saigon." Hwang and Wong were among those honored by the Association of Asian Pacific American Artists during the Seventh Annual Jimmie Awards. The Japanese director Akira Kurosawa won the lifetime achievement trophy. Last year, Actors' Equity barred the white actor Jonathan Pryce from playing a Eurasian in "Miss Saigon." The actors' union later reversed itself. The Association of Asian Pacific American Artists is committed to more realistic portrayals of Asian-Pacific Americans in the media. The Jimmies take their name from the Oscar-winning cinematographer James Wong Howe.

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